Daily Report

Latin America

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CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

CARIBBEAN

Cuba

Castro Interviewed on Retaining Socialist System *[Madrid EFE]* 1
Venezuela's Perez Urges End of U.S. Blockade *[Havana TV]* 1
Lawyers Release Statement on U.S. Blockade *[Havana TV]* 2
Economic Ties With Various Nations Reported *[Havana Radio]* 2
Right To Develop Nuclear Program Reaffirmed *[Havana Radio]* 2
Cooperation Protocol Signed With Austria *[Havana Radio]* 2
* New Discotheque-Cinema for Teenagers Opened *[TRIBUNA DE LA HABANA 23 Aug]* 2

MEXICO

Korea's No Tae-u Arrives for Talks With Salinas *[Seoul THE KOREA HERALD 26 Sep]* 3
Meets Salinas, Discuss Investment *[Seoul YONHAP]* 3
Banquet Given for No Tae-u *[Seoul YONHAP]* 4
Cuban Official Says Restructuring 'Ruled Out' *[Mexico City NOTIMEX]* 4

CENTRAL AMERICA

El Salvador

Government, FMLN Sign 'New York Agreements' 5
Talks Continue *[San Salvador Radio]* 5
Agreement Reached *[Madrid EFE]* 5
'Text' of Agreement *[San Salvador Radio]* 5
Presidency Minister Reports *[San Salvador Radio]* 8
FMLN's Handal Comments *[Hamburg DPA]* 9
Truce Proposed *[San Salvador TV]* 9
Authorities Set Date for Jesuit Murder Trial *[San Salvador TV]* 9

Guatemala

'Substantial Progress' Made in Peace Talks *[Mexico City TV]* 10
President on Measures To End Electricity Crisis *[SIGLO VEINTIUNO 24 Sep]* 11

Nicaragua

Colombian Ambassador on Theft of Missiles *[LA PRENSA 23 Sep]* 11
Planes Reportedly Bring Weapons From Honduras *[Managua Radio]* 11
Finance Minister Discusses Privatization Process *[Managua Radio]* 12
Lacayo on Privatization *[BARRICADA 18 Sep]* 13

Panama

Security Council To Increase Personnel, Weapons *[EL SIGLO 23 Sep]* 14
Court Rules on 13th-Month Bonus; Endara Replies *[Panama City TV]* 15
PRD Communique on Drug, Arms Trafficking Links
[LA ESTRELLA DE PANAMA 20 Sep] 15
Ford Explains Government Payroll Reduction Plan *[EL PANAMA AMERICA 25 Sep]* 16
Spokesman Says High Schools To Remain Closed *[EL PANAMA AMERICA 22 Sep]* 16

SOUTH AMERICA

Argentina

Accord on Falkland Islands Signed With UK *[Buenos Aires Radio]* 17
More on Accord *[TELAM]* 17
U.S. Lobbying for Patents Bill Draws Criticism *[BUENOS AIRES HERALD 25 Sep]* 17
Rio Group To Formally Address Cuban Issue *[NOTICIAS ARGENTINAS]* 18
Israeli Rector Rabinovich Visits Menem *[Buenos Aires Radio]* 18
Rebel Group No Longer Exists, Says Army Chief *[BUENOS AIRES HERALD 25 Sep]* 18
Research Group Reports Decrease in Real Wages *[BUENOS AIRES HERALD 25 Sep]* 19

Bolivia

Terrorists Claim Responsibility for Attacks *[La Paz Radio]* 19
Groups Operate in La Paz *[La Paz TV]* 19
Government Denounced *[La Paz Radio]* 20

Brazil

Foreign Minister Meets Soviet Counterpart *[Brasilia Radio]* 20
Strike Causes $110 Million Loss to Petrobras *[O ESTADO DE SAO PAULO 24 Sep]* 21
Chamber of Deputies Approves Pay Increase *[O GLOBO 20 Sep]* 21
Armed Forces' Role in Antidrug Effort Discussed *[Brasilia Radio]* 21

Chile

Silva, Pankin Discuss International Relations *[Santiago Radio]* 21
Rojas Comments on Letelier Case, Spanish Visit *[Santiago Radio]* 22
Concludes Visit to Spain *[Santiago Radio]* 22
Economy Minister Reports Investment Figures *[Santiago Radio]* 22
France Grants $17 Million Health Sector Credit *[Santiago Radio]* 23

Colombia

Rebels Deny Role in Nicaraguan Weapons Theft *[Santa Fe de Bogota TV]* 23
Government Commission Appointed *[Santa Fe de Bogota TV]* 23

Ecuador

Officials Meet on Border Issue With Peru *[Quito Radio]* 24

Peru

Fujimori on Defeat of Terrorism, Promises Peace *[Madrid EFE]* 24
Fujimori Defends Honor of Air Force Personnel *[Madrid EFE]* 25
Foreign Ministry Communique on UN Statement *[Lima TV]* 25
Criminal Charges Filed Against Former Ministers *[EL COMERCIO 17 Sep]* 25
Details of Renegotiation With Creditors Announced *[EL COMERCIO 18 Sep]* 25
Economy Minister Interviewed *[EL COMERCIO 18 Sep]* 25

Venezuela

Perez Addresses UN General Assembly *[Caracas TV]* 26
Perez Comments on Visit to Canada, U.S. *[Caracas TV]* 29

Cuba

Castro Interviewed on Retaining Socialist System

PA2509153291 Madrid EFE in Spanish 1038 GMT 25 Sep 91

[Report by Gerardo Gonzalez Vega]

[Text] Havana, 25 Sep (EFE)—Cuban President Fidel Castro has said that he feels like a slave of power (which he has been holding for 32 years), but added that he will not renounce it, since that is like asking "a writer if he would like to retire."

Castro made those remarks early this on the morning of 25 September following a reception at Havana's Palace of the Revolution in honor of Manuel Fraga Iribarne, prime minister of the Galician government (an autonomous government of that northeastern region of Spain), who is on an official visit to Cuba.

The dozens of Spanish newsmen who are covering the Galician prime minister's trip took advantage of the occasion to ask Castro (since Fraga did not attend the news conference) different questions concerning Cuba's persistence in retaining a socialist government, the country's economic future, and relations with the USSR.

In response to an EFE question on the possibility of the survival of socialism in just one country, Cuba in this case, following the collapse of the Eastern Bloc, Castro stated that "it is a very difficult task, but it can be done," since "we have a tradition of fighting alone," as in the war of independence against Spain.

With socialism, he added, "we are defending our independence, since, were the United States to impose itself on Cuba we would turn into another Miami, and we would rather see our bones fertilizing the earth than that."

On the relations of conflict with the United States, the Cuban president stated that the withdrawal of Soviet troops from Cuba (announced by Soviet President Mikhail Gorbachev and consisting of a brigade of 2,000 soldiers), something with which he "disagrees," affords the opportunity for the United States to leave the Guantanamo Naval Base that it has occupied in Cuban territory since 1903.

Commenting on the expectations that have arisen with regard to the upcoming congress of the Communist Party of Cuba (to be held on 10 October in Santiago de Cuba Province), Castro stated that "there will be no overhauls or rollbacks" along the country's socialist path.

He downplayed the possibility that the congress would authorize the creation of a "peasant free market" (independent farmers and the free sale of their products) in the country, since he felt that the number of farmers who do not depend on the state is negligible.

Talking about Spain, he said that "relations are normal, neither friendly nor unfriendly," and noted that during the previous regime of General Francisco Franco "its stance was unreproachable."

"Franco behaved toward Cuba splendidly well, although we were constantly levying some criticism," he noted, commenting on the unusual treatment his government is affording Fraga, who, as it is known, served as a minister during the Franco regime.

As for Fraga, Castro said "we could spend 100 hours talking" to him, as he is a very pleasant and knowledgeable man." The Cuban president added that he discussed with him human and family topics and drank "albarino" (a Galician wine brought by Fraga).

When asked about the possibility of traveling to Spain, he said that he was invited to the 1992 Ibero-American summit and that he will then visit Galicia at Fraga's invitation; since Fraga is the president of an autonomous government, not of Spain, he cannot invite a head of state to officially visit Spain.

"That matter notwithstanding, I can go to Spain if I want because I am the son of Spaniards and feel entitled to visit Spain on my own. Although I am not going to do that, I am even entitled to vote in Spain if I so choose," Castro added.

With regard to possible investment by the Galician businessmen accompanying Fraga, he said "no country offers (as does Cuba) the facilities that exist here, since the repatriation of capital is automatic," although he stated that there is U.S. pressure to discourage businessmen from investing in Cuba.

The Cuban president succeeded in drawing laughter from the Spanish newsmen by joking during his appearance that lasted over an hour that "under these complex circumstances the less we talk about politics the better."

Venezuela's Perez Urges End of U.S. Blockade

FL2609015691 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 26 Sep 91

[Text] Today, the president of Venezuela, Carlos Andres Perez, asked the U.S. Government to suspend the economic, trade, and financial blockade against Cuba. During his speech to the 46th UN General Assembly, the Venezuelan president asked the United States to be open to talks to end the sanctions against Cuba which have become unjustified and obsolete. Carlos Andres Perez pointed out that we must progress from an era of East-West confrontation to an era of North-South cooperation. He added that the Cold War hampers hopes for Cuba's move toward the universal concept of democracy that we all seek.

During his speech, the Venezuelan president also made references to the need to democratize the United Nations. Carlos Andres Perez criticized the mechanism which gives to five countries, as permanent members of the Security Council, the privilege of vetoing any resolution. He called for the elimination of this privilege which limits the participation of other UN member states.

Lawyers Release Statement on U.S. Blockade

FL2509184091 Havana Tele Rebelde Network in Spanish 1700 GMT 25 Sep 91

[Text] During a news conference, Cuban lawyers have released a statement they plan to send to the United Nations opposing the U.S. economic, trade, and financial blockade against Cuba. The statement denounces to the world Washington's violations regarding free trade and cooperation among states. In the document they note that the worsening of the 30-year blockade against our island can be seen in laws, regulations, and measures that ban any U.S. enterprise, institution, or citizen from establishing relations with Cuba.

The statement will be sent directly to the United Nations on the occasion of its 46th session, which a few days ago included in its agenda the U.S. blockade against our country. They will also send the document to counterpart organizations as well as to social, cultural, religious, and professional organizations of other countries so that they can support the just claim of the Cuban lawyers.

Economic Ties With Various Nations Reported

PA2509214791 Havana Radio Havana Cuba in Spanish 0000 GMT 25 Sep 91

[Text] Cuban Deputy Foreign Minister Ramon Sanchez Parodi has said that Cuba is promoting a regional market in the Caribbean by establishing various investment programs with several nations. While in Mexico, Sanchez Parodi told the local media before leaving for Havana that Cuba has already reached investment agreements in several fields with Mexico, Ecuador, Venezuela, Argentina, and Chile. He said these agreements will further the growth of Latin America and the Caribbean. Regarding Cuba's domestic situation, he said the country's future demands that citizens make a great effort to confront economic changes and strengthen and consolidate the revolution's social, economic, and political policies. He denied reports that the situation on the island is critical.

Right To Develop Nuclear Program Reaffirmed

PA2509192891 Havana Radio Havana Cuba in Spanish 1400 GMT 24 Sep 91

[Commentary by Roberto Morejon]

[Text] The 25th general conference of the International Atomic Energy Commission, which ended recently in Vienna, Austria, served as a platform for Cuba to reaffirm its right to develop a nuclear program with peaceful ends. It is timely to insist that Cuban sovereignty on nuclear matters be respected, in view of the periodic campaigns waged by the United States against Cuba, consisting of presenting as dangerous the construction of an electronuclear plant in the Caribbean nation.

The U.S. maneuvers, based on fallacies and distortions, seek to prevent the construction of the first Cuban electronuclear plant on the southern central part of the island in the area known as Juragua. Construction of that project, the center of national nuclear activity, continues despite Cuba's known economic limitations and the situation caused in the wake of difficulties that have emerged in trade with the Soviet Union.

The Cuban electronuclear plant has modern and safe Soviet technology, different from that of Chernobyl. Currently over 90 percent of construction on the project's first phase is complete. All construction is scheduled to be completed by the first half of 1992. The plant will be installed and equipped later that year, with strict state control and supervision in accordance with international standards. This will obviate any danger to Cuba and its neighbors in the event of natural disasters or accidents.

Cuba believes the atom, used for peaceful purposes, is a faithful ally of man in multiple aspects of life, including health, nutrition, and agriculture. The conference on the security of Latin American nuclear plants held in Brazil last June gave evidence that their use to generate electrical energy is one of the safest and cleanest currently known. Access to this technology cannot be the exclusive right of industrialized states. It is unacceptable for governments of industrialized states to deny small countries the possibility of ensuring their supply of electricity through renewable resources.

Cooperation Protocol Signed With Austria

PA2509190991 Havana Radio Havana Cuba in Spanish 1400 GMT 24 Sep 91

[Text] Karl Bernhard, rector of the University of Vienna, said in Havana that the idea of cooperating with Cuba was the result of several years of studying Afro-American culture and the role played by the Caribbean island, given its Spanish and African influences.

Cuba and Austria signed a scientific cooperation protocol that provides for a European edition of the ethnographic Atlas of the island and the exchange of scientists, specialists, and students.

* New Discotheque-Cinema for Teenagers Opened

91P40451A

[Editorial Report] Havana TRIBUNA DE LA HABANA in Spanish of 23 August 1991 on page 4 reports that a recreation center for young people consisting of a discotheque and cinema has been opened on Ayestaran Street, sponsored by the UJC [Union of Young Communists], ICAIC [Cuban Institute of Cinematographic Arts and Industry], and the Provincial Cinema Enterprise. The article explains that the discotheque has a 400-person capacity, modern lighting with special effects for dancing, and offers the latest in salsa and rock music. Juice, soft drinks, pastries, and popcorn will be sold. The entrance fee is two pesos and the disco will be open from 2000 to 0001 on Fridays and Saturdays; it will be closed on Tuesdays and Wednesdays, and the remainder of the week it will be open from 2000 to 2345. The upstairs cinema has 479 seats and a one-peso entrance fee. Videotapes as well as 35-millimeter films will be shown. Patrons can leave their bicycles in a special area and a ticket system will be implemented to prevent losses.

Korea's No Tae-u Arrives for Talks With Salinas

SK2609032891 Seoul THE KOREA HERALD in English 26 Sep 91 p 1

[Report by correspondent Kang Song-chol]

[Text] Mexico City—South Korean President No Tae-u arrived here Wednesday afternoon (Thursday morning, Seoul time) for a three-day state visit that includes a summit meeting with Mexican President Carlos Salinas.

No flew from New York where he addressed the United Nations General Assembly and met with U.S. President George Bush.

No and Salinas are expected to discuss ways to expand economic and other forms of cooperation between South Korea and Mexico, both as Pacific countries, a senior South Korean government official said.

The summit talks are scheduled to be held at the presidential palace for about an hour from 5:30 p.m. Wednesday (8:30 a.m. Thursday, Seoul time).

No originally planned to visit Mexico in May of last year, but put off the trip because of political unrest in his country.

High on the agenda of the No-Salinas meeting will be the expansion of bilateral trade and economic cooperation, the Seoul offiical said. Bilateral trade amounted to about $820 million last year.

The two leaders are also expected to exchange views on the move to form a free trade region among the United States, Canada and Mexico, according to the official.

He said Seoul plans to actively promote joint venture projects with Mexico as a way to give Korean goods easier access to the U.S. market.

No and Salinas may also discuss Mexico's bid to join the Asia- Pacific Economic Cooperation (APEC), a regional consultative forum pushed by South Korea and several other Pacific countries.

Mexico has already applied for full membership to APEC, the official said.

Upon arrival at Benito Juarez International Airport around 2 p.m. (5 a.m. Thursday, Seoul time), No was greeted by Mexican officials, including Foreign Minister Fernando Solana Morales, and members of the local Korean community.

The official welcoming ceremony for No is to held at the Mexican presidential palace prior to the summit meeting.

No is the first Korean head of state to visit Mexico.

Meets Salinas, Discuss Investment

SK2609045891 Seoul YONHAP in English 0236 GMT 26 Sep 91

[Text] Mexico City, Sept. 25 [date as received] (CANA-YONHAP)—South Korean President No Tae-u and Mexican President Carlos Salinas de Gortari agreed Wednesday (correct) to boost Korean investment and business advances in Mexico.

No told Salinas that the North American Free Trade Agreement (NAFTA) among the United States, Mexico and Canada should not create an economic bloc.

The summit that lasted 40 minutes also covered political issues, including North Korea's signing of a nuclear safeguards accord.

The presidents agreed that North Korea must abandon nuclear development, which will threaten global security.

No invited his host to visit Seoul in the near future.

The summit began with a tete-a-tete and then the two leaders were joined by government officials from both sides.

Korean Foreign Minister Yi Sang-ok and his Mexican counterpart Fernando Solana Morales held a separate meeting and signed a protocol on economic and social cooperation and a technological cooperation pact between the two countries.

No is the first South Korean president to visit Latin America. Seoul and Mexico formed diplomatic ties in 1962.

The two presidents expressed satisfaction that bilateral trade has increased 40 percent a year for the last five years. Two-way trade last year was 820 million U.S. dollars, with Korean exports to Mexico tallied at 560 million dollars.

Salinas invited Korean investment in his country and No asked that Mexico provide favorable terms for such investment. On establishing an exclusive industrial complex for Korean companies in Mexico, No asked for full support such as low-cost leases and tax exemption for raw material purchases.

The two leaders also exchanged requests of support for Korea's joining of the Inter-American Development Bank (IDB) for easier investment and Mexico's membership in the 12-nation Asia-Pacific Economic Cooperation (APEC).

Seoul hosts the third APEC ministerial conference in November.

The Korean president stressed that the North American Free Trade Agreement should not be an exclusionist treaty creating an economic bloc among the three signatories. No asked for Mexico's help in expanding Korea's trade activities with Central and South American countries as well as Spain and Portugal.

No called attention to revising the Korea-Mexico aviation accord signed in 1988. The agreement does not

recognize beyond rights and working-level negotiations are scheduled this year to discuss establishing air routes with stopovers in North America.

At a dinner following the summit, Salinas said No's visit provided an important opportunity for the two countries to work toward new exchanges and better relations in economy and culture.

No said it was an honor to be the first South Korean president to come to Latin America and he hoped his visit would not only open doors to better ties with Mexico but with other nations in Central and South America.

Banquet Given for No Tae-u

SK2609104691 Seoul YONHAP in English 0759 GMT 26 Sep 91

[Text] Mexico City, Sept. 25 (YONHAP)—"Besame Mucho," an old Mexican song much beloved by South Koreans, was the theme song of the official gala dinner that Mexican President Carlos Salinas gave in honor of visiting Korean President No Tae-u.

The 90-minute banquet in Lopez Mateos Hall in the presidential residence, attended by over 200 guests, began with the playing of the national anthems of the two countries.

After the two presidents exchanged pledges of greater cooperation as partners for the 21st century, No said he frequently sang "Besame Mucho" and it was widely sung by his fellow Koreans.

The chamber orchestra apparently took note of the presidential confession: It played the song twice, for all its wide selection of Korean and Mexican pieces.

Singer-songwriter Consuelo Velasquez, who popularized the song, was at the party. She told No that although she had retired from singing she was very pleased to meet a fan from faraway Korea.

In his dinner speech, Salinas congratulated Korea on its entry into the United Nations on Sept. 17 and noted with that Mexico was the first place the Korean president visited after his country's U.N. admission.

Salinas, noting two-way trade expanded five times during the last five years, suggested the two countries promote various programs, and exchange information and experience to further solidify the friendship between the two peoples.

All Pacific countries, including Korea and Mexico, should enhance understanding among themselves and expedite trade and economic cooperation, making the most of the supplementary structures of their economies, he said.

The two countries could open the Pacific era in the 21st century hand in hand as mutually important partners, he said.

Salinas asked No to positively support Mexico's bid for membership of the Asia-Pacific Economic Cooperation [APEC] in the third APEC ministerial conference in Seoul in November, and No promised his fullest support.

No told Salinas that the North American free trade zone being promoted by Mexico, the United States and Canada should not turn out to be exclusive.

At one point during the banquet, the orchestra began to play "Hand in Hand," the official song of the 24th Summer Olympiad in Seoul in 1988. No sang along and began clapping, and he was immediately joined by Salinas and most of the guests.

Before the banquet, No was decorated with the "Orden Mexicana de Aguila Azteca, Grado de Collar" by Salinas, and the Mexican president was given the grand order of Mugunghwa, in the Miguel Aleman Hall of the presidential residence.

No presented Salinas with a celadon vase and received a silver ornament from him. The first ladies exchanged gifts: a mother-of-pearl jewel box for Mrs. Salinas and flowery handcraft for Mrs. No.

Cuban Official Says Restructuring 'Ruled Out'

PA2409202591 Mexico City NOTIMEX in Spanish 1602 GMT 24 Sep 91

[Text] Merida, 24 Sep (NOTIMEX)—"Perestroyka" is ruled out for Cuba because it will not copy models designed for other countries, Cuban Vice Foreign Minister Ramon Sanchez Parodi said here 24 September.

The vice minister, who visited the Cuban Embassy in Mexico City, pointed out during a stopover in Yucatan on his way home that Cuba is making great efforts to consolidate its social, economic, and political processes to face the future.

He denied that the current situation in Cuba is "critical, drastic, or dramatic." However, he admitted that the industrial, agricultural, and commercial sectors are noticeably affected, particularly by the petroleum shortage.

Sanchez Parodi commented that since the USSR reduced its fuel supplies to the island, Cuba has been forced to adopt measures to make better use of this type of product, particularly petroleum.

He pointed out that Cuba will launch investment projects with various Latin American and Caribbean nations, such as the Bahamas and Jamaica.

He announced that his country has established investment agreements with Mexico, Ecuador, Venezuela, Argentina, and Chile that cover various areas of production with the purpose of seeking economic growth for Latin America and the Caribbean.

The vice minister pointed out that tourism "is a branch of the economy with good possibilities" that, together with biotechnology and pharmaceuticals manufacturing, will boom in the near future of Cuba's economy.

El Salvador

Government, FMLN Sign 'New York Agreements'

Talks Continue

PA2509222691 San Salvador Radio Cadena YSU in Spanish 1800 GMT 25 Sep 91

[Telephone interview with SALPRESS correspondent Ricardo Gomez from the UN Headquarters in New York by reporter Julio Rodriguez in San Salvador—live or recorded]

[Text] [Gomez] The technical discussions of the two delegations are still taking place in UN Secretary General Javier Perez de Cuellar's office on the 38th floor of the United Nations building. No agreement has been signed yet, and the latest topic under discussion deals with socioeconomic matters. The delegates are also discussing the purging of the Army and the impunity of the Salvadoran Armed Forces. An agreement on those points is still pending and that is why the discussions have continued.

[Rodriguez] According to the views of some diplomatic sources, what issues would a final agreement focus on?

[Gomez] We must realize that we are getting different versions from different sources, not from confirmed official sources. That is why the topics that have apparently been discussed deal with the creation of a national peace commission. That point seems to have been agreed upon. The creation of a civilian national police has also been agreed upon. The discussions on socioeconomic topics and the Armed Forces are still taking place. This is what the total agreement can cover, based on some versions. I repeat, this is not an official version.

[Rodriguez] Will President Alfredo Cristiani leave in the afternoon or will he wait for the signing of the agreement. Will he be leaving today at noon? Have you confirmed this?

[Gomez] We can confirm that he has not left. Other sources have confirmed this. I imagine he is awaiting the signing of the agreement. I imagine that to him, as well as to the Farabundo Marti National Liberation Front delegation, reaching that agreement is a fundamental point.

[Rodriguez] You mentioned that the introduction of the socieconomic topic is also a key factor in signing an overall agreement. Have the sources close to the talks felt that way?

[Gomez] It was reported that the fundamental issue under discussion within the socieconomic topic deals with the ownership of lands or farms that peasants have taken over in different parts of the country. These issues were under discussion, and basic differences emerged. We still do not know if the differences were settled or how the agreement was written. This problem lies at the core of the discussions.

Agreement Reached

PA2509223591 Madrid EFE in Spanish 2124 GMT 25 Sep 91

[Text] United Nations, 25 Sep (EFE)—The Salvadoran Government and the Farabundo Marti National Liberation Front (FMLN) on 25 September reached an agreement that "opens an irreversible path to peace in El Salvador," said guerrilla "commander" Salvador Sanabria.

According to sources close to the negotiations, which were mediated by UN Secretary General Javier Perez de Cuellar, the agreement establishes basic directives that will guarantee the guerrillas' incorporation into society, a purge of the Salvadoran Army, and economic and social reforms.

Nevertheless, the agreement does not end the war, our sources said, adding that on 15 October negotiations will resume to establish a truce.

The government and FMLN representatives are about to sign the agreements, after which they are scheduled to hold a news conference.

'Text' of Agreement

PA2609002991 San Salvador Radio Cadena YSU in Spanish 2215 GMT 25 Sep 91

["Text" of the "New York Agreements" signed by the Salvadoran Government and the Farabundo Marti National Liberation Front, FMLN, at the United Nations in New York City on 25 September; read by Ricardo Gomez of SALPRESS; numbers and letters as heard—recorded]

[Text] The Salvadoran Government and the Farabundo Marti National Liberation Front, which henceforth will be referred to as the sides, convinced of the need to give a final push to the negotiating process that is currently underway with the UN secretary general's active participation—so that within the short term they will be able to achieve the joint political agreements required to definitively end the armed conflict afflicting our country—and aware of the fact that to achieve the goal so stated it is essential to create conditions and guarantees to ensure full compliance with these political agreements by both sides, have reached the following political agreement.

1. National Commission for the Consolidation of Peace

The fulfillment of all the political agreements reached by the sides will be supervised by the National Commission for the Consolidation of Peace (Copaz). Copaz is a mechanism to control the participation of civilian society in the process of changes resulting from the negotiations on the Armed Forces in particular, as well as the other points on the agenda.

2. Copaz' General Makeup

A. Copaz will be formed by two government representatives, including a member of the Armed Forces, two FMLN representatives, and one representative of each of the political parties or coalitions represented at the Legislative Assembly.

B. [as heard] The archbishop of San Salvador and one Onusal [UN Observers for El Salvador] delegate will have access to their work and deliberations as observers.

3. Decisions

Copaz will adopt its decisions by majority.

4. Attributes

A. Copaz will not have executive faculties, because it is up to the sides through their internal mechanisms to execute the peace agreements.

B. Copaz must, perforce, consult with the sides before making decisions or undertaking measures pertaining to relevant aspects of the peace agreements. Copaz may also consult with the sides at the highest level whenever it considers it necessary to do so. In cases of differences on whether an issue should be submitted to Copaz, Copaz will settle the difference.

C. Every time that at least three members of Copaz request it, Copaz will be summoned immediately and its opinion will be heard.

D. Copaz will have direct access to the president of the Republic and will meet with him every time Copaz itself or the president deems it necessary.

E. Copaz will have access to and will be able to inspect every activity or site linked to the execution of the peace agreements.

F. Copaz will have the authority to issue all sorts of conclusions and recommendations regarding the execution of the peace agreements and to publicize them; the sides have pledged to fulfill them.

G. Copaz will have the authority to prepare the necessary drafts of legislative bills to develop the agreements reached regarding the Armed Forces issue as well on the other points on the agenda.

H. Copaz will have the authority to supervise the implementation of the agreements reached by the sides, regarding the Armed Forces issue as well as the other points on the agenda.

I. Copaz will be in charge of preparing the necessary drafts of legislative bills to ensure for all the war-maimed and the relatives of fallen fighters from both sides, their incorporation into the state's social security or adequate economic compensation in accordance with the law.

J. Copaz, with regard to the fulfillment of its duties, will have the authority to address the pertinent bodies at the United Nations through the secretary general.

K. Copaz will have the full power to organize its work in the manner it may deem most advantageous and to name the groups or subcommissions it may deem useful to the fulfillment of its mission. For this it will have its own budget.

5. Form

Copaz, in addition to being the result of the current political agreement, will be ratified by law.

6. Duration

A. Between this agreement and the cessation of the armed confrontation, the two government representatives including a member of the Armed Forces, two of the FMLN, and one for each of the political parties or coalitions represented at the Legislative Assembly, will work with special temporary rules that they themselves will define. Their duties include the preparation of the draft of the law that will formalize Copaz.

B. The draft of the law that will formalize Copaz will be presented to the Legislative Assembly within the eight days following the signing of the cessation of the armed confrontation. Copaz' formal installation will be within the eight days following the law's enactment.

C. Copaz will be dissolved once the peace agreements are implemented; this decision will be made by Copaz itself through an agreement that has won favorable votes from at least two thirds of its members.

7. International Guarantees

A. Copaz' creation will be expressly supported in the resolution adopted by the Security Council regarding the peace agreements.

B. The UN secretary general will keep the Security Council abreast of Copaz' activities and its effectiveness.

C. Copaz will be supported by governments that are in positions to effectively support the guarantees required by the agreements as well as by Copaz' duties. The particular cooperation of those governments will be attained and carried out in a manner that will contribute to the peace agreements' goals and their total fulfillment.

1. Purge of the Armed Forces

It is agreed to initiate a process to purge the Armed Forces based on the evaluation of all its members by an ad hoc commission.

2. Two Armed Forces members will participate in the commission but will only be able to attend the commission's deliberations.

3. Reduction of the Armed Forces

The criteria to be used in the reduction of the Armed Forces will be agreed upon by the parties.

2. The criteria, among others, will set the guidelines to establish the reduction of the Armed Forces and the size it is to have during peacetime.

B. An Armed Forces reduction program, which is to include ways to implement the program, time schedule, budget, etc., will be prepared.

4. Doctrine of the Armed Forces

An agreement will be reached to define the doctrine of the Armed Forces based on the considerations that emanate from the agreements on this matter and on the constitutional reform.

It is understood that the Armed Forces' mission is to defend the sovereignty of the state and the integrity of the territory. It is understood that this doctrine must be based on the principle that the Armed Forces' actions and rules will be in agreement with the state of law, the priority importance of man's dignity and respect for his rights, the defense of and respect for the Salvadoran people's sovereignty, and the awareness that the Armed Forces are at the service of the nation, regardless of all political, ideological, or social considerations or any other kinds of discrimination. It is understood that the Armed Forces are subordinated to the constitutional authorities. The mechanisms to select all the members of the ad hoc commission, as well as the evaluation criteria and other measures related to the purging, will be discussed during the abbreviated negotiations.

5. Armed Forces' Educational System

The agreement signed in Mexico on 27 April 1991 will be enforced fully, according to which the professional training of the Armed Forces members will stress the preeminence of man's dignty and democratic values, respect for human rights, and the Armed Forces' submission to constitutional authorities. Any agreements to be reached on this matter will include regulations to guarantee the aspects mentioned and an admission and training system.

6. National Civilian Police

The agenda for the negotiation of the National Civilian Police stipulated in the constitutional reform and approved in the Mexico agreements will include the following:

A. Creation of the National Civilian Police. Doctrine and Juridical Considerations.

B. Dissolution of the National Guard, the Treasury Police, and USEP [not further identified].

C. National Civilian Police personnel. Evaluation of the National Police personnel. Incorporation of new members. Selection system: Pluralist, nondiscriminating. Profile and Training. International advisorship and support coordinated by the United Nations. The organization of the National Civilian Police, the National Public Security Academy, and the selection of their personnel will be the object of close international cooperation and supervision. Temporary regulations.

7. Economic and Social Aspects.

1. The lands exceeding the constitutional limit of 245 hectares and those owned by the state, but which at present are not forest reserves according to the law, will be earmarked to meet the need for land of peasants and small-scale farmers. To this end, the government will also try to acquire the lands offered to the state for sale.

2. The existing land ownership in the areas of conflict will be respected, while a satisfactory legal solution is found for definitive land ownership. The ways and terms for the execution of this portion of the agreement will be agreed upon in the abbreviated negotiation.

3. Policies to grant loans to farmers will be revised.

4. The parties will submit to the abbreviated negotiations, as part of the economic and social topics, consideration of the following matters:

A. Measures which are necessary to alleviate the social cost of the structural adjustment programs.

B. Ways deemed advisable to direct foreign cooperation intended to promote community assistance and development programs.

C. Creation of a forum for a socioeconomic concerted effort with the participation of the government, labor, and business sectors, with the purpose of continuing to resolve the socioeconomic problems. The forum may be opened to the participation of other social and political sectors as observers in the conditions determined by the self-same forum.

8. The rest of the agenda.

1. Other aspects pending on the topic Armed Forces are related to guaranteeing fulfillment of the agreements. No direct mention is made of them because they must be agreed upon during the abbreviated negotiations. In any case, their fulfillment and execution will be submitted to Copaz.

On this date, the parties have agreed on a negotiation agenda, which comprises the points still to be negotiated and which is considered part of this agreement. The agenda's topics, which have also been included in this accord's agreement of principles, will be considered and negotiated in accordance with the criteria and principles stated in this agreement. [Issued] New York, 25 September 1991 [Signed] In representation of the Salvadoran Government, the document is signed by Oscar Santamaria, Mauricio Ernesto Vargas, and David Escobar Galindo.

In representation of the FMLN, the document is signed by Shafik Handal, Francisco Jovel, Salvador Sanchez Ceren, Eduardo Sancho, and Joaquin Villalobos.

At the foot of the document is the signature of Alvaro De Soto, the representative of the UN secretary general.

Presidency Minister Reports

PA2509041591 San Salvador Domestic Service Network in Spanish 0231 GMT 26 Sep 91

[Statement issued by Presidency Minister Oscar Santamaria, member of the Government Dialogue Commission, at the United Nations in New York City on 25 September—live or recorded]

[Text] Salvadoran people, warm greetings. We have just finished signing the agreements and accords reached during a meeting between the Salvadoran Government, the FMLN [Farabundo Marti National Liberation Front], and the UN secretary general in New York. The fruitful meeting concluded successfully. This was a very lengthy meeting that demanded great effort. Many unclear factors were finally straightened out. The result of the meeting will now become the most important link in the chain of events that the peace process has unleashed over the past 16 months. We want the Salvadoran people to know that the firm political willingness of President Alfredo Cristiani's government is reaffirmed once more with these accords. We are also voicing our positive determination to keep searching for peace in the next few months.

President Cristiani's arrival in New York signifies the government's clear and substantial contribution to the current demands of the process. As we said before, the process, already well under way, demands the proper stance and willingness by the sides. The obstacles that came up along the way, very often as part of unrealistic stances whose only purpose is to snag and end the process, have now been removed. We are not returning with a peace accord under our arm ready to tell the Salvadoran people that everything will be peaceful from now on. This is not what we have done. What we have done, in accordance with the instructions issued and the agenda proposed by the UN Secretary General, is overcome the obstacles that have rendered the progress of the process impossible so far. The points that made it difficult to arrive at the final accords were settled through a number of debates, efforts, and initiatives made during the meeting. During the meeting, the FMLN was told about the impossibility of holding a stand inconsistent with the future development of the peace process.

The Salvadoran people want to have more opportunities to advance and improve at the institutional level. However, the Salvadoran people also know that they must abide by an institutional framework that cannot be destroyed. Thus, the institutions that can be reformed without endangering their integrity were definitely rejected during this meeting. [sentence as heard] Notwithstanding, this did not stop us from taking into consideration several FMLN proposals regarding the securities and the guarantees that it demands prior to its reentry into the country's civilian, institutional, and political life. We have definitely heard its proposals during this process and have tried to find answers to its problems. We mantained that position at this meeting. We have sought alternatives to solve the FMLN's demands for security in the process and to ensure that the next step—the entry of this armed group into civilian life—is taken without fears or risks, although things are very relative when dealing with security. In any case, we have sought to have a process that is sufficiently strong and that will enable the FMLN to take this step. This was another problem solved here.

We also established a working schedule to get the process to advance more expeditiously from now on and to allow us to reach final agreements as quickly as possible. On this point we also pointed out that we must resume the negotiation process now and take the next step. We have already established a time schedule, an agenda, the procedures for the meetings, and possible venues for the next meetings. This tells the Salvadoran people that the meetings in New York were feasible and that, in the end, our efforts were successful.

Undoubtedly, the Salvadoran people are the big winners of this meeting. The people, who have endured plights and tragedies for 11 years, have been hoping that the negotiation process will lead to a definite peace agreement. This is the door we have opened in New York. This was the necessary precedent for the process to retake the pace needed to reach peace. As we said before, we hope that 1991 will be the year of peace. The government reiterates what it stated earlier this year.

We believe peace can be reached very soon. Of course, the parties must continue to show that they have the will and the proper attitude to reach these objectives. On behalf of the Salvadoran Government, we can promise the Salvadoran people that this is what we are going to do. We will not spare efforts to bring peace to the Salvadoran homes as soon as possible. We also ask the people to trust and believe in us. The setbacks in the talks were also due to the existing discredit and distrust caused by the topics that were being discussed at the negotiating table. We can say now that through these agreements we have overcome the obstacles and now we need the trust and support of the Salvadoran people.

For the government, this process would not have reached this point either if it had not been for the sectors who gave support to President Cristiani and his policies to attain peace in the country. We thank the Salvadoran people for this support, but ask them to continue giving us their support. We will need it more than ever from this moment on because peace is near and we have always said that peace stems from the efforts of all Salvadorans, despite the fact that it is the Salvadoran Government that leads the struggle for peace through its political process. We ask the Salvadoran people to also continue to give us that support.

We are satisfied with the success and results of this meeting and we return to the country to tell the Salvadoran people that we have accomplished our mission. We hope the rate at which the process is now developing is adequate. Undoubtedly, the international community also benefits from this agreement because it, too, has been giving support to the process. We also ask the international community to continue supporting us. After much work—sometimes full of obstacles—many sacrifices, and many hours of anxiety, we have achieved results. Therefore, we sincerely congratulate the Salvadoran people and ask them to accept this outcome as a partial compensation for the effort, the stoicism, and the patience with which they have had to support the consequences of this conflict [10-second break in reception] ...many thanks Salvadoran people.

FMLN's Handal Comments

PA2609011391 Hamburg DPA in Spanish 0005 GMT 26 Sep 91

[Text] New York, 25 Sep (DPA)—FMLN [Farabundo Marti National Liberation Front] Commander Shafik Handal said today in New York that the agreements signed with the Salvadoran Government "are a victory for democracy in El Salvador."

Handal referred to them as "the fruit of the Salvadoran people's political and military struggle" and agreed that the United Nations played an important role in achieving the agreements.

Handal said that the most outstanding point in the agreement was the creation of the National Commission for the Consolidation of Peace (Copaz), in which the FMLN and the government will be represented under equal conditions.

This commission has very broad powers. It will oversee the course and fulfillment of all the agreements, thus becoming the organization that will conduct the entire transition process, said Handal.

According to Handal, Copaz is an unprecedented entity and the expression of one of the objectives for which the FMLN has been struggling: the predominance of civilian society in a country that has been subjected to the dictatorial hegemony of the armed forces for 60 years.

Truce Proposed

PA2609045591 San Salvador Canal Doce Television in Spanish 0315 GMT 26 Sep 91

[Telephone interview with Shafik Handal, commander of the Farabundo Marti National Liberation Front, FMLN, in New York City by unidentified reporter in San Salvador on 26 September—recorded]

[Text] [Reporter] Commander, how does the FMLN describe the accords reached in New York today?

[Handal] We regard the New York accords as a victory for democracy in El Salvador and the fruit of the Salvadoran people's political and armed struggle. We believe this agreement is a great step forward, that the objective for which we were convened in New York was attained, and that we now have before us the final lap of the negotiation, which we hope will be held under the best possible conditions. We have proposed a truce to be unilaterally declared by each side in order to create a suitable climate for the last stage of this negotiation.

[Reporter] We would like to know more. The cease-fire proposed by the FMLN would also have to be complied with by the Army. When would this cease-fire begin? Have you people received a reply from the governmental commission?

[Handal] We are expecting that answer. We believe that the agreements that have been reached in New York provide the framework that could be favorable for reaching an agreement on this point as well.

[Reporter] The agreements state that the next meeting will be in mid-October. The government had said over the telephone that it is possible that a cease-fire could be signed at that meeting. Does the FMLN agree with that position regarding the possibility of reaching a cease-fire agreement at the next meeting?

[Handal] It is very important now to keep the public well informed and directed and not to confuse it. At this time the situation is like this: We have agreed... we have untied, rather, a knot of problems that were blocking the advance of the negotiations. Now there is a wide avenue for finishing the negotiations and reaching an agreement that may open the path to peace in a solid and stable manner. However, we must travel that path and at the meeting in Mexico on 12 October we hope to make great advances. Nonetheless ...

[Reporter interrupting] There is something that I wish you could make clear before we go to other news. Regarding the formation of the civilian national police: How was the creation of this police established? Is your participation accepted in that police force or not?

[Handal] Of course it is accepted. It has been stated in the agreements that there will be no discrimination on entry and admission into the civilian national police and it is clear that this has much to do with the incorporation of members of the FMLN. That is clear.

[Reporter] Commander, thank you very much for the telephone call regarding the FMLN's stand on these important agreements signed in New York.

Authorities Set Date for Jesuit Murder Trial

PA2609044691 San Salvador Canal Doce Television in Spanish 0300 GMT 25 Sep 91

[Text] Judicial authorities in El Salvador announced today, 24 September, that the preliminary trial in the

Jesuit priests' murder case would begin on 26 September. The trial date was announced this morning in the Fourth Penal Court during the jury selection.

On 24 September Judge Ricado Zamora summoned the defense attorneys, private prosecutors, and representatives of the district attorney's office to witness the jury selection in the case of the murdered Jesuit priests. The press was not allowed in the courtroom during the proceedings.

A list of 12 persons has initially been selected; only five of them will eventually be chosen to form the jury. The date of the preliminary trial, where Colonel Guillermo Benavides, three lieutenants, and five soldiers will be present, has been set for 26 September.

The defense attorneys, who uphold the innocence of the soldiers, expressed their outrage because arriving international delegations and other persons who will be present during the trial had been informed of the date of the trial. According to Dr. Mendez Flores, this would indicate the clear intent of the Fourth Penal Court to politicize the case.

[Begin recording] [Mendez Flores] I definitely believe that it is quite odd that delegations are supposedly arriving for the trial and it is only now that the date is being announced.

[Reporter] What delegations are arriving?

[Mendez Flores] Supposedly representatives from Spain and delegates from other countries will be present during the trial.

[Reporter] And why would this inconvenience the defense attorney?

[Mendez Flores] Because of what I just mentioned. We should have been the first to know the dates; these people should not arrive knowing the date. How come these people are aware of when jury selection is going to take place? [end recording]

Acccording to the private prosecutors, by revealing the date the defense attorneys are only seeking to obstruct the trial.

[Begin recording] [Reporter] What do you have to say about the date?

[Unidentified prosecutor] Well, really the judge had requested that we not disclose the trial date. If the defense attorney has revealed the date of the preliminary trial, it is probably because they wanted to obstruct and unnerve those persons who are being summoned. But with the date now being a public matter, we expect to be present with....

[Reporter, interrupting] What veredict are you looking for?

[Prosecutor] We are looking for a guilty veredict. [end recording]

The district attorney's office, through the head of the human rights department, has called on all those persons who have been summoned to be present during the trial. The district attorney's office has also stated that it will request a guilty verdict.

[Begin recording] We are very interested in concluding this case. We firmly believe in the guilt of those who are involved. During the trial we are going to request a guilty verdict for all of these persons. We believe they are responsible for those murders and for other crimes, which we expect to prove during the trial. [end recording]

While the private prosecutors have stated that the persons who masterminded these multiple murders will never be brought to justice, the District Attorney's Office says that there are no more persons involved in this case.

The preliminary trial will be held in the last floor of the Supreme Court building and it has recently been learned that access to the courtroomm will be very restricted.

Guatemala

'Substantial Progress' Made in Peace Talks

PA2509142991 Mexico City Red Nacional 13 Imevision Television in Spanish 1325 GMT 25 Sep 91

[Report by Judith Alamo]

[Text] Guatemalan peace talks have been taking place in Mexico City. The meetings were extended for an additional day. Even though specific agreements were not reached, substantial progress was made, according to mediator Monsignor Rodolfo Quesada Toruno.

The talks between the Guatemalan Government and guerrillas ended when both delegations asked the United Nations to send a human rights verification commission to Guatemala.

After meeting in Mexico City for the past four days, Msgr. Rodolfo Quesada Toruno, who is mediating between the conflicting parties, acknowledged that a finished agreement was not reached, but that the groundwork has been laid for its consolidation, perhaps in the next meeting scheduled for late October.

[Begin Quesada recording] I believe that we have reached certain base agreements, certain preliminary agreements. For example, we agreed to promote the Guatemalan human rights institutions, such as the Office of the Human Rights Ombudsman. [end recording]

Other agreements reached between the URNG [National Guatemalan Revolutionary Unity] and the Guatemalan Government are: A new military recruitment law and treatment for the victims of violence. One of the differences lies in the adoption of the humanitarian war rights

contained in the Geneva Treaties. According to Msgr. Quesada, negotiations on this topic will continue.

President on Measures To End Electricity Crisis

PA2509202491 Guatemala City SIGLO VEINTIUNO in Spanish 24 Sep 91 p 8

[Text] President Jorge Serrano Elias, before leaving on a visit to the United States, announced the purchase of a thermoelectric plant and the rental of a turbine engine that will generate approximately 95 of the 100 megawatts needed to overcome the national power crisis.

The president said that a 50-megawatt generating plant that will produce 50 percent of the current national power deficit has been purchased for 100 million quetzales. Serrano noted that this plant had originally been designed to run on gasoline but adjustments were made for it to run on diesel.

Serrano confirmed that he had authorized the rental of a turbine engine and the immediate purchase of an assortment of spare parts for other engines that will generate approximately 45 megawatts.

Nevertheless, Serrano said that their installation takes time and so it will be five to six weeks before they are fully operational. Once they are installed, however, the power crisis in the nation will be practically over.

The president stated that at the end of this week or at the beginning of next week the community will be presented with the option of self-rationing and that will do away with mandatory rationing through power cuts.

President Serrano reported that there have been talks between power utilities authorities and business leaders to alert them to the need to reduce power consumption. The talks included the possibility of establishing an average output that will guarantee a power supply in all areas 24 hours a day, thus reducing or eliminating power cuts until service gets back to normal.

Nicaragua

Colombian Ambassador on Theft of Missiles

PA2509200291 Managua LA PRENSA in Spanish 23 Sep 91 pp 1, 12

[Report by Emilio Zambrana]

[Text] Mario Camacho Prada, Colombian ambassador to Nicaragua, revealed in an exclusive interview with LA PRENSA that Colombian citizen Jose Armando Monge Benavides, who is involved in the theft of Army antiaircraft missiles, participated in the FSLN [Sandinist National Liberation Front] congress in July as a delegate of the Colombian M-19 [19 April Movement] guerrilla movement. This is proof of his political background and corroborates that the motives behind the incident are political rather than economic.

Nevertheless, the Colombian ambassador did not rule out the possibility that the group of five former Army officers and two Colombians—one of whom is still at large—have ties with the drug terrorism that prevails in Colombia.

"We have to find out what Mr. Monge was doing in Nicaragua," said Ambassador Camacho Prada, referring to the Colombian citizen's presence in our country. Monge apparently arrived in the country after the Sandinists rose to power and remained in the country for seven years.

According to a statement by EPS [Sandinist People's Army] Major General Joaquin Cuadra, the stolen weapons would be delivered to a Salvadoran guerrilla organization in exchange for a considerable amount of money. Nevertheless, everything seems to indicate that the presence of Monge and "Oscar"—the Colombian who is still at large—would guarantee the shipment of missiles to a Colombian guerrilla organization.

Although Monge Benavides refused to give a statement to the local and foreign media, it is known that his political activities in the country link him to the M-19 and the Revolutionary Armed Forces of Colombia (FARC).

The Colombian guerrilla movements today adamantly denied that a commission of its leaders who participated in the FSLN Congress in July is involved in the theft of missiles.

"We want to know the motives of the conspiracy to pinpoint the problem in Colombia," Ambassador Camacho Prada said after asking the Nicaraguan Government, through the Armed Forces, to supply information intended to uncover the reasons for the crime and to locate those who are involved in the action.

Camacho Prada said that the Colombian Embassy will follow up on the legal action taken against the Colombians. He also requested the Nicaraguan Government's solidarity in clearing what he termed "a critical and complicated case."

Planes Reportedly Bring Weapons From Honduras

PA2509191791 Managua Radio Ya in Spanish 1200 GMT 24 Sep 91

[Text] Rebel groups in the northern part of the country continue to be supplied with arms by small planes that apparently come from Honduras.

Reports from Matagalpa indicate that peasants that have arrived from Guina, Sofara, and Guatani report that planes are delivering weapons to the area. The weapons include American-made sub-machine guns. The reports also state that armed groups are recruiting peasants and threatening to kill those who refuse to cooperate.

It has been reported that the small planes with the arms shipments take off from the Palestina and Capire bases

in Honduran territory. The last time a small plane was heard and seen overflying and dropping weapons in the Guina area was on the morning of 23 September.

Three persons kidnapped and two settlements and one town being occupied are the latest actions carried out by the recontras in the northern part of the country.

Reports from Matagalpa indicate that men identified as recontras commanded by Douglas, Piruli, and Navas have taken over the settlements of El Naranjo and San Pablo De Kubali along the road to the Atlantic area.

That armed group also kidnapped and is holding Moises Riso, Abel Guido, and Orlando Rodriguez, whom the group claims are Sandinists.

Another report states that, since 22 September the armed group led by Tigrillo, Rojito, and Joel are occupying the town and police post of Mulukuku.

Other reports that have reached Radio Ya state that armed men, led by a man called Bolivar, attacked a cooperative and a poultry farm in Isiqui, Esteli Department, killing one peasant and wounding another.

The peasants were en route to their plantations at approximately 0500 hours when they were shot by armed men. The peasant that was killed was identified as Alfredo Palacios and the wounded one is Anibal Rodriguez, president of the Isiqui Poultry Farm.

The peasants said that these armed actions are encouraged by UNO [National Opposition Union] deputies.

Finance Minister Discusses Privatization Process

PA2509044091 Managua Radio Nicaragua Network in Spanish 1815 GMT 18 Sep 91

[Text] Finance Minister Pereira said that privatization is vital for true economic growth in Nicaragua and that he was pleased to work with the Legislative Assembly's Economic, Finance, and Budget Commission in a process that will serve as a springboard for the Nicaraguan economy. Pereira said that the privatization issue has a great impact on the public treasury and that 1992 will be the year of privatization when the economic process soars and more jobs will be generated, resulting in greater stability. We have Minister Pereira's remarks:

[Begin Pereira recording] The privatization issue is a socio-economic factor with a great impact on [words indistinct] and on the balance of public finance. In the short term, if we do not implement the privatization process correctly and swiftly, the economy will become inefficient and return to an unstable situation. In the medium- and long-term, privatization opens the doors for growth, for the generation of jobs, and a speedy recovery—which must be significant to take this nation out of its current state of poverty. Therefore, although the privatization process leans toward a certain ideology, it has been demonstrated that the state is totally inefficient as an administrator and manager. It is interesting to note that the states that adopted the philosophy of state management, did this, championing—in the majority of the cases in good faith—the causes that would benefit the most needy and most destitute. Unfortunately, independent of ideological systems and geographical location, this process has resulted, without exception, in a great social unbalance, in the loss of general well-being, and finally unemployment. All of these factors are contrary to the causes for which the state took control of companies.

After this brief outline, we want to stress the condition of state-run companies in Nicaragua. The Nicaraguan state-run companies are experiencing an accelerated stage of total deterioration. In medical terms, these are companies that have had a heart attack. Nicaragua cannot afford to have these patients lose all vital signs and then try to revive them by shock methods. It is very difficult to rebuild a company once it enters into bankruptcy and basically, the majority of the state-run companies are in that situation. It is also important to point out that the companies do not become bankrupt overnight. We are not going into finger-pointing now, but a local newspaper recently published that INE [Nicaraguan Energy Company] had to resort to rationing due to the lack of funds. The truth of the matter is that the INE, as numerous other companies, has been experiencing a deteriorating process, with little maintenance for many years. This lack of maintenance can be directly verified at [words indistinct], with reinvestment problems, little access to technological advances, and obviously, scarce working capital. This has been the norm for practically all state-run companies. No matter what the reasons are, the fact is that the companies did not receive maintenance, they have not had access to reinvestment or technology, and consequently, they have not been able to generate jobs. Moreover, it has been proven that the state-run companies experience problems of responsibility.

This could perhaps be illustrated with the parable of the (?talents). You remember the first case was when the Lord gave a farmer a seed and the farmer lost it. The second case was when the farmer was given a seed and the farmer simply saved it. Finally, we have the case of the farmer who planted the seed and took care of it and knew how to make it grow. Most of the enterprises in Nicaragua are similar to the first case. The farmer is losing his (?talents). A large number of enterprises are similar to the second case. The enterprises are simply being maintained. Almost none of them fall into the third case, in which (?talents) are being multiplied. The enterprises need to be operated so that growth can be reactivated.

Without being an ideological matter, privatization can be such a sensitive issue, that it could become an obstacle for growth and for economic recovery if we do not learn the lessons that have been taught to us throughout history.

It is important to note that just as all of this is going on, Nicaragua is once again returning to an international economy, which is opening its doors of technological progress. The capacity of these enterprises to compete internationally is very limited. The few resources owned by the state, both financial and human, cannot be allocated to accomplish everything. We have to choose between providing basic services or being businessmen. History has demonstrated what happens when the state becomes a businessman.

In this regard, I see four very important criteria necessary to keep in mind when we privatize. Privatization in Nicaragua must be done extremely fast. We believe 1992 must be the year of the consolidation of our stabilization, the beginning of economic growth, the possibility for the state to make greater investments in the public sector, but above all, it must be the year of privatization. [end recording]

Lacayo on Privatization

PA2309022591 Managua BARRICADA in Spanish 18 Sep 91 p 5

[Report by Roberto Larios]

[Text] Presidency Minister Antonio Lacayo yesterday voiced his opposition at the Legislation Assembly to the Commission on Economic Matters on the draft bill presented by five UNO [National Opposition Union] deputies "that could paralyze the privatization process" at 351 state-run companies.

Lacayo appeared before the Legislative Assembly commission that is debating a draft bill on the "Privatization Law" presented by Deputies Adan Morales and Andres Robles (PSD) [Social Democratic Party], Nardo Sequeira (PLI) [Independent Liberal Party], Alejandro Perez Arevalo (PIAC) [Party for the Integration of Central America], and Luisa del Carmen Larios (PPSC) [Social Christian People's Party].

To define the privatization process within a "more clear and open framework," Lacayo instead proposed that the Legislative Assembly issue "a joint statement by the executive and legislative branches on the objectives, limitations, procedures, and regulations of the privatization process."

"Privatization Characteristics"

During Lacayo's appearance, which was received in a very cordial atmosphere, he was accompanied by CORNAP [People's National Corporation] President Dayton Caldera, Finance Minister Emilio Pereira, and Presidential Legal Adviser Tomas Delagney. The government authorities presented abundant technical and legal arguments, giving the deputies ample explanations.

Lacayo talked about the special characteristics of privatization in Nicaragua, which are different from those in other countries like Mexico and Argentina. He said that privatization must be quick and carried out with the greatest flexibility possible. "The slower and the more bureaucratic the privatization, the more difficulties there will be toward its success."

The bill submitted by the UNO deputies subjects each privatization case to a tedious legal process, at the end of which a judge decides if the enterprise is sold or not. Lacayo described the regulation contained in the bill "as an obsolete mechanism that restricts the flexibility that is required."

CORNAP President Dayton Caldera explained the two privatization procedures being studied by the government. One is the return of the property to its previous owners if a favorable resolution was obtained from the National Revision Commission with regard to confiscated property. On the other hand, and according to Decree 7-90, the CORNAP may decide to sell, rent, liquidate (in case of bankruptcy), or assign the enterprise to another state organization.

"To Diversify Property"

The government is going after three objectives with privatization, Caldera said. The first is to obtain revenue to increase the government's investment budget, eliminate subsidies, and increase social expenditures in the areas of health and education.

Another objective is to reactivate the economy and promote investment and the business sector. The final proposal was to "diversify property, granting opportunities to all sectors, with preferential options to production and workers unions, to enable them to also become businessmen."

The privatization procedure starts with a selection of companies to be sold, in line with their legal standing, taking into account their appeal to investors and the interrelation it could have with other companies.

Caldera said: "The real value will be the market value, that is, what the buyers are willing to pay for the company."

"Sales Mechanisms"

Caldera said that there are two mechanisms for the sale of the companies. One [mechanism] is to hold international or local bids, followed by the official confirmation of the offers, and the subsequent granting of bids. The other would be what the CORNAP president called "direct negotiation in specific cases."

Caldera pointed out two factors that he considered very important at the time of selling a company. These factors are the internal political situation and the confirmation of the assets and liabilities at the time of the sale. As this confirmation cannot be altered from one day to the other, a rapid process is therefore very important.

With regard to the possible "players" in the privatization process, Caldera mentioned CORNAP personnel, consultants, and experts on privatization studies, many of

them sent by international organizations involved in technical assistance projects.

The organizations that advise CORNAP are the UN Development Program, the Norwegian and Swedish development agencies (NORAD and ASDI) [not further expanded] as well as AID and the Inter-American Development Bank.

Moreover, there is coordination with the Comptroller General's Office to guarantee the openness of the process, the CORNAP president noted.

Finance Minister Emilio Pereira warned that although privatization "opens the doors to economic growth and generates jobs, it could also mean more imbalances within the country, if it is not well managed."

Pereira believes that some of the benefits triggered by privatization would cause the generation of larger fiscal income, reducing the tax load and thereby leaving more financial resources for social programs.

With respect to the UNO draft bill, Presidential legal adviser Tomas Delagney said: "It is very difficult for a judge to have the technical criteria required to rule on each privatization case."

Delagney recalled that inasmuch as Nicaragua is being advised on the current privatization process by international organizations that are providing Nicaragua with financial assistance, these organizations' recommendations "cannot be put before a district judge to rule on them."

This procedure would be "impractical, harmful, and completely paralyze the privatization process," Delagney noted.

Panama

Security Council To Increase Personnel, Weapons

PA2409165891 Panama City EL SIGLO in Spanish 23 Sep 91 p 14

[Article by Aneldo Arosemena]

[Text] The Public Security and National Defense Council [CONASEPUDEN], headed by former Noriega Minister Menalco Solis, plans to train 300 new members, add them to the 600 members of the presidency's Institutional Protection Service (SPI), and supply them with an impressive and large arms.

Investigations conducted by this journalist indicate that the SPI, an operational unit under the National Security Council, has accumulated a large arsenal. Part of it is in the presidency's armory and another in buildings eight and nine in the reverted areas of Amador, where new SPI recruits are being trained.

The large arms cache includes many RPG-18 and LAW [Light Anti-Tank Weapon] (disposable) rocket launchers, Israeli-made Galil rifles, U.S. made-M-16 machine guns, Israeli-made Uzi and Ingram submachine guns, more than a dozen .50 caliber and .60 caliber machine guns, many crates of fragmentation grenades (each crate contains 50), five grenade-propelling rifles for smoke bombs and M- 203 gas, a few AK-47 rifles, 9-mm pistols, and .38 caliber revolvers.

We learned from a firsthand account that unidentified CIA agents supervise all government security activities. These same CIA experts were present during the mass riot at the Modelo Jail on 14 September.

The SPI is comprised of 600 men and 300 others are reportedly in training to join that force as of 5 November. However, there are certain difficulties at the Comptroller General's Office in including them on the government payroll.

CONASEPUDEN was created by Cabinet Decree No. 38 of 10 February 1990 and Decree No. 98 of 29 May 1991 regulates its operation.

Menalco Solis, who had close ties to dictator Noriega, is the council's executive secretary.

Two other organizations are under the responsibility of Menalco Solis. They are the Committee of Critical Events (CODEC) and National Security Committee (COSEN). The latter is made up of National Police Director Gonzalo Menendez Franco, an Arnulfist; SPI Director Carlos Bares, an Arnulfist; a representative of the Attorney General's Office; and Judicial Technical Police Director Oswaldo Fernandez.

Many community members are apprehensive about this committee because they are afraid it could become a partisan paramilitary group such as those that existed in the past.

Examples of these are the so-called War Footing, a paramilitary group of the Liberal Party; the Basement Lions, another group of hired club-brandishing thugs and gunmen at the service of the National Patriotic Coalition (CPN); the Democratic Revolutionary Party's Special Commando Unit; and the Seventh and Eight Forces, which were virtually "death squads" of the dismantled Panama Defense Forces [FDP].

Christian Democratic Legislator Gloria Moreno de Lopez submitted a bill at the Legislative Assembly, controlled by her party, to eliminate the council headed by Menalco Solis, which also carries out electronic intelligence and espionage work.

The weapons now in SPI hands are part of an arsenal that former National Police Director Herrera handed over to presidency officials last year. These weapons had belonged to a special brigade, headed by Herrera's brother, that was in charge of preventing robberies in the banking area. A list of these weapons and others that belonged to the dismantled FDP and were recently returned by the U.S. Government has never been revealed.

Court Rules on 13th-Month Bonus; Endara Replies

PA2409041691 Panama City Circuito RPC Television in Spanish 1730 GMT 23 Sep 91

[Text] Supreme Court President Carlos Lucas Lopez said on 23 September that the Supreme Court has unanimously declared unconstitutional the so-called war decree, which suspended the payment of the 13th-month bonus to government employees.

[Begin recording] [Lopez] I must explain that, because this was a ruling on a constitutional case, its effects will be in the future. The decision was supported by all the members of the Supreme Court.

[Reporter] What were the grounds for this ruling?

[Lopez] The ruling was based on the fact that the decree violated one of the provisions of the Constitution, precisely the one empowering the legislative branch to issue such decrees.

[Reporter] Does the ruling have retroactive effects?

[Lopez] No, it does not. It has effects in the future, as with all decisions dealing with the unconstitutionality of general laws.

[Reporter] What recourse does the executive branch have if it declares itself insolvent and unable to pay the 13th-month bonus?

[Lopez] I do not think it will declare itself insolvent, but in any case, the court's rulings are firm and must be fulfilled by everyone, especially the executive branch.

[Reporter] Is the ruling binding and obligatory?

[Lopez] It has an obligatory effect and must be respected. I am sure it will be respected by the executive branch. [end recording]

Meanwhile, this station has just received a communique from the Presidency with President Guillermo Endara's message on the Supreme Court decision on the payment of the 13th month bonus. This is the president's message:

Our democratic system and public freedoms are based on a state of law and respect for legal norms at all times. That is why it is said that a government is formed by laws and not by men. In our legal system, the power to decide what will be the law of the land belongs to the Supreme Court of Justice and other components of the judicial branch. We have said on many occasions that the decisions of this great court will be respected totally and faithfully by my government, even if the decisions are unfavorable to us. Today we learned of the ruling of the Supreme Court declaring Decree-Law No.3 of 9 October 1989 unconstitutional, which had suspended the payment of the 13th-month bonus payment to government employees.

Our position on the state of law is unalterable, without any exceptions. The decision will have a very important effect on the budget because it will influence the countless priority allocations of a social nature included in the draft budget. In view of a decision that involves more than 60 million balboas a year, our budget will be seriously affected. Nevertheless, we insist that my government fully and faithfully respect this decision by our Supreme Court.

PRD Communique on Drug, Arms Trafficking Links

PA2009235691 Panama City LA ESTRELLA DE PANAMA in Spanish 20 Sep 91 pp A-1, B-7

[Communique issued by the National Executive Committee of the Democratic Revolutionary Party Legislative Bloc in Panama City on 17 December]

[Text] The National Executive Committee of the Democratic Revolutionary Party [PRD] Legislative Bloc hereby states:

1. On 16 December some news media carried reports datelined in Miami sent by Tomas Cabal on remarks by drug trafficker Max Mermelstein, convicted in the United States for smuggling 56 tons of cocaine into that country from 1981 to 1985. According to Cabal, Mermelstein testified that legislator Balbina Herrera Arauz acted as his contact with former General Manuel Antonio Noriega to smuggle drugs and money from this illegal activity into Panama, to obtain false documents, and purchase weapons.

2. Those false accusations against Balbina Herrera Arauz are no coincidence and deep down constitute another effort by backward forces in the United States, with the ulterior motive of trying to attack the PRD as the authentic expression of the Torrijist ideology.

3. Balbina Herrera Arauz is currently the president of the PRD legislative bloc and has always had an upstanding political and personal path, which is why she constitutes a fitting example of a Torrijist woman, who from humble beginnings has climbed her way up to top positions in the party and the country from the result of popular elections.

4. Without considering the moral fiber of the individual who pretends to implicate her, a person who would accuse his own mother to get a reduction in sentence, the development that has no doubt arisen at the instigation of the United States, constitutes such a jolt that it cannot withstand even the most superficial inquiry. The "witness" says he met Balbina Herrera Arauz on 14 March 1983, a time when every Panamanian can attest that she had no personal or political relationship with former Gen. Noriega, something that did not begin until 1987.

5. This dirty ploy seeks to intimidate Balbina Herrera Arauz and the other Torrijist legislators, who have been courageously denouncing the brazen U.S. meddling in our domestic affairs, with the complicity of the puppet regime installed by means of the genocidal invasion and military occupation that began on 20 December 1989.

6. In view of this new and insidious attack, the PRD and its legislative bloc tell the country they will not be intimidated and will continue our noble struggle to regain our fatherland's dignity and self-determination. In addition, we hold U.S. representatives in our country and the regime installed at the Clayton base to be responsible for the security and life of legislator Balbina Herrera Arauz, her family, and the rest of the PRD members who are at the forefront of this struggle.

[Issued] Panama City, 17 September
[Signed] PRD President Gerardo Gonzalez.

Ford Explains Government Payroll Reduction Plan

PA2509174591 Panama City EL PANAMA AMERICA in Spanish 25 Sep 91 p 8c

[Article by Carlos Vargas]

[Text] According to certain aspects of its economic modernization plan, in the next three years the government will drop over 20,000 employees from its payroll through the retirement plan, voluntary retirement, and the privatization of state enterprises.

Second Vice President Guillermo Ford, planning and economic policy minister, told a Legislative Assembly plenum on 24 September that 6,000 government employees will transfer to the private sector by means of the privatization of state enterprises and services.

He explained that 11,000 employees will be eligible for the voluntary retirement program, in which each employee will have the right to compensation equivalent to one year's salary.

The second vice president said the government plans to eliminate certain positions, which will not be replaced, by means of the retirement plan. The government has received 6,000 requests for retirement.

Ford pointed out that this plan will lead to a 3-percent reduction in the government payroll by 1992 and 6-percent for 1993.

"These figures can be reached without adversely affecting the government labor force," Ford said. He added that the government employs 22 percent of the country's productive force, and this makes it impossible to set the course of the national economy toward development.

Spokesman Says High Schools To Remain Closed

PA2209162291 Panama City EL PANAMA AMERICA in Spanish 22 Sep 91 p 1A

[Report by Juan M. Diaz]

[Text] Domingo Sanchez, secretary general of the Association of Professors of the Republic of Panama [APRP], has stated that "there will not be classes at the high schools of the country" because the APRP has not yet signed the agreement ending the labor strike decreed by the teachers' associations on 16 September.

Sanchez emphasized that the Board of Directors of the APRP will convene a general assembly on 23 September so that the rank and file can decide on whether to continue or suspend the strike. He added that until this general assembly meets, there will not be classes at the high schools of the country.

Sanchez called the leaders "weak" who accepted the imposition by the Education Ministry in a disrespectful document, which did not fully meet the aspirations of the teachers' associations.

Sanchez explained that the teachers' associations will have to discuss the situation of these leaders with their rank and file, adding that, given this situation, the APRP has been strengthened.

Meanwhile, members of the United Panamanian Teachers Union, an organization which also refrained from signing the agreement, expressed that they will maintain their strong opposition to the document that was signed by the rest of the teachers' associations.

Argentina

Accord on Falkland Islands Signed With UK

PY2509181391 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 25 Sep 91

[Text] Argentina and the United Kingdom signed today an accord concerning the Malvinas Islands. The agreement reduces the geographical limits for maneuvers by either party to an 80-mile zone around the Malvinas, Georgia, and South Sandwich Islands. This announcement was made by Foreign Relations Under Secretary Juan Carlos Olima during a news conference at noon today. Olima said that this accord will become operational 9 October 1991.

More on Accord

PY2509223191 Buenos Aires TELAM in Spanish 1828 GMT 25 Sep 91

[Text] Buenos Aires, 25 Sep (TELAM)—Argentina and the United Kingdom signed a new agreement by which limitations on military maneuvers in the Malvinas Islands zone are reduced, and restrictions on the entry of ships and planes to the zone are lifted.

The agreement annuls the terms of the agreement that was signed in Madrid in February 1990. The new agreement was simultaneously signed in the two countries and will become effective 9 October. Deputy Foreign Minister Juan Carlos Olima made the announcement at a news conference after meeting with UK Ambassador to Argentina Humphrey Maud.

Concerning military exercises and maneuvers, the new agreement cancels the 150-mile zone that prohibited the entry of any armed ship or warship into the zone, reducing it to an 80-mile zone around each one of the archipelago's islands. A similar provision applies to British actions off the Argentine continental coast and off Tierra del Fuego, Olima noted.

Additionally, the Madrid agreement specified—in addition to the larger exclusion zone—25 days notification of any such maneuvers. Currently, 14 days notice is now required.

Concerning aviation, the new text provides for "an air traffic control zone for the airports on the islands in accordance with the rules and regulations of the International Civil Aviation Authority."

This provision states that civilian and military airplanes will not be required to provide any type of advance flight notification. The crew will file their flight plan one hour before taking off from the Comodoro Rivadavia airport, the area's air traffic control center, which will notify the islands of the flight plan.

Concerning ocean-going vessels, the Madrid agreement established that no ships of any type could enter the 50-mile exclusion zone around the Malvinas Islands.

Under the new agreement, "any ship can come as close as 15 miles without any requirement to supply preliminary information, with the exception of warships," Olima said.

The deputy foreign minister said that the bilateral declaration which was negotiated since May 1991 represents evidence of the "political willingness of the two governments to strengthen the confidence that we are building."

Olima also confirmed that the Foreign Ministry authorized the Uruguayan Air Atlantic [preceding two words in English] company "to carry passengers and cargo" between Montevideo and the Malvinas Islands with a stopover in Ezeiza.

The permit was discussed a month ago. Argentina and Uruguay authorized the operation about two weeks ago. "The Uruguayan company must now submit operational details and the administrative paperwork but the political decision has already been made," Olima said.

Olima avoided discussing the issue of gasoline in the Malvinas Islands. He only pointed out that "this issue was included in the agenda of the foreign ministers who will meet tomorrow in New York."

U.S. Lobbying for Patents Bill Draws Criticism

PY2509231891 Buenos Aires BUENOS AIRES HERALD in English 25 Sep 91 p 1

[Text] (NA-DYN)—U.S. Ambassador Terence Todman was at the centre of a new storm yesterday, this time regarding his drive to see a pharmaceutical patents law approved in Argentina. Attacks against Todman's hard lobbying for a patents law came as Health Minister Avelino Porto announced that a patents bill will be sent to Congress "before the end of the month."

At least three legislators moved to have the ambassador declared "persona non grata" while Presidential Chief-of-Staff Eduardo Bauza accused Todman of "interfering in the internal affairs of the Argentine Republic" yesterday. At the same time, full-page ads were taken out in leading dailies by the Cilfa domestic pharmaceutical industry chamber, accusing the ambassador of "trying to replace our democratic institutions with your own autocratic will."

Two weeks ago, Todman made a rushed call on Economy Minister Domingo Cavallo at Congress (where Cavallo was briefing legislators on an unrelated topic) after temperatures rose above the safety limit in talks between visiting US Trade Department officials and Argentine representatives on the patents issue. The US ambassador's surprise appearance ruffled a few legislative feathers, a situation which only deteriorated last Friday [20 September] when Todman was quoted by the press as announcing that "Argentina will be sanctioning a patents law soon." The US embassy yesterday issued a statement clarifying that Todman was only answering reporters' questions when he made that statement.

Deputy Eduardo Sigal (CPP) [expansion unknown] and Radical Deputies Daniel Salvador and Victor de Martino, yesterday moved to have Todman declared "persona non grata" while socialist Deputy Simon Lazara suggested Todman had also been lobbying before Labour Minister Rodolfo Diaz for particular labour legislation. Todman's high visibility in the patents issue follows his equally controversial role in the Swiftgate and his perceived role in the Yomagate scandals.

Argentina does not recognize medical patents and at the same time has a highly advanced pharmaceutical industry and the US government, responding to a request by the US Pharmaceutical Manufacturers Association (PMA), has threatened sanctions against Argentine imports if a patents law is not approved this month.

Rio Group To Formally Address Cuban Issue

PY2509220591 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1058 GMT 25 Sep 91

[Report by NA special correspondent Jose Maria Monzon]

[Text] United Nations, 25 Sep (NA)—For the first time since its creation, the Rio Group will formally deal with the Cuban situation. It will seek a "peaceful way out" of the political situation prevailing there, trying to promote political changes in the island.

The foreign ministers of the member countries of the so-called Rio Group made this decision here following a proposal by Argentina and other South American countries.

The Cuban issue became prevalent again due to a reference by U.S. President George Bush during his speech to the UN General Assembly.

Argentine Foreign Minister Guido di Tella stated that members of the Rio Group want to "help Cuba out of its current isolation and to help its reincorporation into the Latin American framework," although he conditions this to the implementation of changes on the island. Among these are "a pluralist democracy, respect for human rights, freedom of action, and an economic opening."

Talking with reporters who are covering his visit to the United Nations, the foreign minister said yesterday that this "is being done for the benefit of the Cuban people and we hope that the Cuban Government will be able to follow this path."

He said that the reinstatement of Cuba into the Latin American framework is "very important, although it will not be possible unless reforms similar to those carried out in many other Latin American countries are implemented."

He denied that Argentina stipulated a deadline for Cuba to implement these changes. On the contrary, he favors dialogue between the Cuban Government and representatives of the Rio Group.

"We are calling for a peaceful understanding, and since we know of a strong antagonism between the United States and Cuba, we believe that proposals for change will be more acceptable if they come from members of the Rio Group," di Tella stated.

The Argentine foreign minister said he favors lifting the economic blockade imposed on Cuba more than 30 years ago, although he conditions this measure to a "political and economic opening" in that country.

He said the Argentine Government is "totally aseptic" regarding the current confrontation between the Cuban regime and the anti-castroists who reside in the United States.

"We do not want to deal with overall internal matters because we know that there are both legitimate anti-castroist groups and others which are not," he said.

Israeli Rector Rabinovich Visits Menem

PY2509204391 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 25 Sep 91

[Text] President Carlos Menem met this morning with Itamar Rabinovich, rector of the Tel Aviv University. Rabinovich paid a courtesy visit to Menem with whom he talked on some aspects of the trip that President Menem will make to Israel on 1 October.

Concerning the Middle East situation, Rabinovich said that (?the most important thing) is the role that President Menem can play. He voiced his hope on the role that Menem could play in the current peace process between Israel and the Arab countries.

Rabinovich said that Menem expressed pride over his Syrian origin, saying that this could represent a great advantage in promoting an understanding between Israel and Syria. Concerning the current relations between Argentina and the United States, Rabinovich said that he was delighted because President Menem told him to what extent his policy is directly coordinated with that of President Bush. Menem stressed that it is obvious that the United States will be a key mediator in the Middle East situation.

The meeting was also attended by Education and Culture Minister Antonio Salonia and Deputy Jorge Matzkin.

Rebel Group No Longer Exists, Says Army Chief

PY2509231091 Buenos Aires BUENOS AIRES HERALD in English 25 Sep 91 p 11

[Text] (NA-DYN)—Army Chief-of-Staff Martin Bonnet yesterday said his force was "absolutely united" and expressed certainty that the rebel carapintada [painted face] faction which staged four uprisings against their superiors and the national government "does not exist any more." "I have no doubts that the rebellions are over," he said.

Bonnet spoke to the press after briefing the Senate and Lower House defence committees on modernization and restructuring plans for the Armed Forces.

As for the political activity of cashiered Lieutenant-Colonel Aldo Rico, who led two carapintada rebellions, Bonnet said the surprisingly good electoral outcome of Rico's MODIN [Movement for Independence and Dignity] slate on September 8 "show that he has chosen the correct path for the expression of his ideas."

However, Bonnet did not consider that Rico's ideas would find repercussion in Army troops. "Rico has made it quite clear that he does not seek to influence the Army," said the chief-of-staff.

Earlier yesterday, Bonnet and President Carlos Menem presided over a ceremony marking the 100th anniversary of the Damaso Centeno Social Military Institute, a high school run by the Army.

Menem urged civilians and the military to "end old disputes which have led our community and our people to a difficult situation."

The ceremony, which lasted over two hours, took place at the Ferrocarril Oeste soccer club stadium. Bonnet's second-in-command Martin Balsa and the institute's director Colonel Alberto Munoz were also present, along with a large number of students, former students and their relatives.

In related military developments, the Navy Chief-of-Staff's office reported that from October 2 to 15 the naval forces of Argentina, Uruguay and the United States will participate in the first UNITAS joint military exercise in the country since the 1982 Malvinas war. Two Argentine destroyers and two corvettes will join a US flotilla including destroyers, corvettes, a submarine and a logistics vessel, apart from a corvette and a frigate from Uruguay. The exercises, which will take place in South Atlantic waters, will be followed by an aeronaval exercise on October 17 with the intervention of the aircraft carrier USS Kitty Hawk.

Finally, military sources disclosed that government negotiators are currently holding talks with officials at the Pentagon for the installation of a new communications system for Argentina's Armed Forces.

The plan, which includes strong investment by the state, is part of the discussions that National Telecommunications Committee leader Raul Otero is currently holding in Washington with the US Joint- Chiefs-of Staff communications commander Admiral Howard Hirsh.

Research Group Reports Decrease in Real Wages

PY2509232091 Buenos Aires BUENOS AIRES HERALD in English 25 Sep 91 p 5

[From the "Business World" column]

[Text] (DYN)—Real wages have fallen by 7.4 percent in the last six months, the FIEL [Latin American Economic Research Foundation] economic research group reported yesterday. Since March, nominal wage adjustments have been moderate and under inflation levels, FIEL said.

Bolivia

Terrorists Claim Responsibility for Attacks

PY2509213791 La Paz Radio Fides Network in Spanish 1100 GMT 21 Sep 91

[Text] Special agents of the police and the Interior Ministry are trying to identify those responsible for the 20 September attack on the multipurpose pipeline leading to the government palace. The incident occurred near Panduro, some 60 km from Oruro.

Police confirmed that terrorists left a communique signed by the Tupaj Katari Guerrilla Army [EGTK] claiming responsibility for the attack. The communique is entitled VIVA THE JUST AND SACRED WAR AGAINST BOURGEOISIE. [Word indistinct] says that the ruling minority screams accusations against the guerrillas, blaming them for the terrorist activities. The communique explains that this is a frustrated attempt to hide the fact that the government is the only terrorist force in the country.

The communique says that the sabotage of pipelines, power pylons, and government offices are selective actions that seek to hurt the people as little as possible. The document says that the war on the rich is needed by the poor if they are to survive. The document is signed with the initials EGTK.

The commander of the Oruro Department police force ordered a total mobilization of the forces and decided to reinforce surveillance in order to prevent further actions by the EGTK.

Groups Operate in La Paz

PY2509160291 La Paz Television Boliviana Network in Spanish 0200 GMT 25 Sep 91

[Text] Preliminary investigations by the prefecture reveal that two terrorist groups are operating in La Paz Department.

La Paz Prefect Fernando Cajias said that there are no conditions for a possible expansion of terrorism in Bolivia. He also provided details on the investigation carried out so far, which revealed the existence of two terrorist groups in the country.

[Begin Cajias recording, in progress] ...the EGTK [Tupac Katari Guerrilla Army] carries out its activities in two zones: the city of La Paz itself and the provincial zone. As for the provinces, no violent action was reported, but a pamphlet similar to the one found in a terrorist's pocket is being distributed. This situation obviously

causes concern. These pamphlets that make an appeal to violence and to an antiracist war were distributed in at least three provinces. Fortunately, they did not succeeded among peasants, despite their extreme poverty. They are trying to solve problems through the mechanisms of democracy and not violence. Anyway, we are investigating the sources of terrorism, and we ask people to be patient if innocent people are questioned. But there are, sometimes, clues on nongovernmental organizations that we will have to investigate. [end recording]

Government Denounced

PY2509235891 La Paz Radio Fides Network in Spanish 1100 GMT 24 Sep 91

[Tupaj Katari Guerrilla Army letter to Radio Fides announcer Father Eduardo Perez Iribarne; monitored in progress]

[Text] ...ministers, congressmen, generals, the bourgeoisie, and the wealthy classes, who always have food on their tables and money in their pockets to buy whatever they like; and they have good homes and good education for their children; and they have production or communication means to use in accordance with their whims.

On the other hand, there is an entire nation, an entire people whose income is not enough to pay for two meals of bread and tea a day. These people live in miserable rooms without any utilities and work like slaves under the dictatorship of their employers. They do not, however, live in tranquillity, Mr. Perez. They are not resigned to their fate, Mr. Perez. No matter how many times you repeat over your radio station that they are, this will not resign them to their fate. These suffering people live in despair. They live with hatred for the governing caste because they realize that this caste is responsible for their hardships.

Please do not have any doubt in your mind that these people, who were humiliated for so many years, are gathering the hope, strength, and determination to change their miserable situation someday. They will give birth to a society in which a communitarian way of life and work will be allowed to bloom. A society in which happiness and tranquillity will be shared by all and not just by a privileged minority.

You say that our country is not used to violence, but you suspiciously forget that every year, our society sentences 50,000 children to die of starvation and denies many others the right to an education and health care. Hundreds of babies have to die everyday so that some people can have Mitsubishi cars in their homes. Is that not violence, Mr. Perez? It is the most repulsive, destructive, and inhuman violence there is.

This type of violence was exerted by the previous and current governing classes and will probably be exerted by future governing classes unless there is a radical, violent change in the social fabric, such as you often call for.

The guerrillas are fighting this state violence, they are fighting this violence with the weapons in their hands because they know that with laws, reform, and elections, only the powerful will continue to govern the country because they control the weapons and the production sector. They control the wealth, the resources, and the media. They will continue to be powerful because the power is served by puppets in the government and Congress.

To conclude this letter, we want to assert that our dear organization does not make cowardly death threats as you want to make your listeners believe. Although you seem to be the public spokesman for an antiguerrilla campaign similar to that orchestrated by the Interior Ministry, we know very well that these attitudes, and their influence cannot be fought by killing people.

Ideas can only be fought with other ideas. The best way to fight lies and slogans such as those uttered by the people that you protect so often is to disseminate different propaganda, to face the people, and to carry out concrete actions. Your life is therefore not threatened.

The only death sentence being served in our country at this time is the one the powerful people pass on the suffering people everyday. In an impoverished society such as ours, people do not die by chance. The working classes are sentenced to a premature death from the day they are born.

You have a radio station that you use to say whatever you want. We—and the other 6 million Bolivians—do not have control over any means of communication and cannot broadcast our feelings and our position every hour of each day. We are convinced, however, that soon all this will change. Those who are currently privileged will be left voiceless, and the millions of workers will control the media and use it for the benefit of the community.

You cannot forget that all existing social wealth comes from the hands of the workers and belongs to them.

Tupaj Katari Guerrilla Army

Brazil

Foreign Minister Meets Soviet Counterpart

PY2609000591 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 25 Sep 91

[Text] Foreign Minister Francisco Rezek met today in New York with his Soviet counterpart Boris Pankin. They discussed the possibility of increasing bilateral trade and various forms of cooperation between Brazil and the Soviet Union.

Rezek said that the two countries have great economic potential, although it is not exploited well.

[Begin Rezek recording] There is relatively good trade between the two countries, but it is very modest, almost

nothing if we consider the great economic potentials of both countries. This level of trade can be dramatically increased in the short term if there is the political will and a minimum of reciprocal information. [end recording]

The Brazilian foreign minister also set the date for his trip to Moscow in November. Moreover, he reiterated the invitation made by Brazilian President Fernando Collor de Mello to Mikhail Gorbachev to visit Brazil. This visit will probably take place during the first half of next year.

Strike Causes $110 Million Loss to Petrobras

PY2509142291 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Sep 91 p 1

[Excerpt] The 11-day oil workers strike caused Petrobras [Brazilian Petroleum Corporation] a loss of $110 million, according to Petrobras President Ernesto Weber. All Petrobras facilities, except for the Madre de Deus plant in Bahia, resumed activities. The Bahia plant workers, however, will not return to work until Petrobras management reinstates two dismissed labor union leaders.

Workers at most refining plants ended their strike last weekend after the Supreme Labor Court authorized a 100 percent salary increase and ruled that the strike was abusive. Weber asserted that during the next four days Petrobras will normalize the supply of some products, such as cooking gas. The interior of Sao Paulo State, in Rio Grando do Norte, Sergipe, and Alagoas, is still having problems with the supply of cooking gas. [passage omitted]

Chamber of Deputies Approves Pay Increase

PY2509204091 Rio de Janeiro O GLOBO in Portuguese 20 Sep 91 p 1

[Text] The Chamber of Deputies approved 19 September the executive branch's draft bill granting an average salary increase of 45 percent for the military and a 100 percent increase for Armed Forces pensioners. An Army general (and his equivalent in the Navy and the Air Force) will now receive 1.527 million cruzeiros. The Chamber also approved a 20 percent salary readjustment for university professors.

Armed Forces' Role in Antidrug Effort Discussed

PY2509181891 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 25 Sep 91

[Report by Vera Lucia Canfran]

[Text] The Chamber of Deputies Commission for Congressional Investigation, CPI, which is investigating drug trafficking, wants the Armed Forces to participate in the antidrug fight at our border with the Andean countries. The Brazilian border with Venezuela, Peru, Bolivia, Paraguay, and Colombia is more than 10,000 km long. The topic was discussed yesterday by Justice Minister Jarbas Passarinho, the CPI members investigating drug trafficking, and the military ministers. The CPI wants to implement the Live Hedge Operation by 1992. The operation's objective is to reinforce border control and prevent drug trafficking in the country.

CPI Coordinator Deputy Moroni Torgan stated:

[Begin recording] The Armed Forces' role in the operation would be to supervise and support the Federal Police. The Federal Police role would undoubtedly be to arrest the drug traffickers.

If possible, we would like to see this happen by the beginning of 1992. [end recording]

According to Deputy Torgan, the Armed Forces do not have sufficient funds to make the Live Hedge Operation feasible. Therefore, portions of the union budget will have to be reassigned, or it will be necessary to resort to the contingency reserves.

Chile

Silva, Pankin Discuss International Relations

PY2609130091 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 26 Sep 91

[Text] Foreign Minister Enrique Silva Cimma met today in New York with Soviet Foreign Minister Boris Pankin. The two foreign ministers evaluated economic integration between the two countries, and relations Chile will have with the Baltic Republics that became independent from Moscow.

Regarding economics, the Soviet foreign minister emphasized the importance of the meeting to exchange viewpoints on the application of the free-market policy in each country. The Soviet Union indicated its desire to renew the fishing treaty with Chile that expired 20 years ago; to motivate this agreement, the Soviet Union offered our country the leasing of Soviet fishing ships.

[Begin recording] [Silva] It was a positive, frank, and open meeting without any protocol. We discussed the issues directly for the interest of the two countries.

[Reporter] There is talk in Chile that FBI agents reportedly provided information to obtain the arrest of the Chilean military officers involved in the Letelier case, as well as in the investigation of the kidnapping of one of the sons of Agustin Edwards. Is that true?

[Silva] Neither one is true. I categorically cannot give any information on an issue that is not true.

[Reporter] Are you saying that this is not true?

[Silva] We have no evidence to allow us to say that it is true. [end recording]

Silva concluded his remarks by announcing that at noon tomorrow a ceremony will be held in which the Chilean Government will officially establish diplomatic relations with Latvia.

Rojas Comments on Letelier Case, Spanish Visit

PY2509152291 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 25 Sep 91

[Report by Jose Francisco Contreras in Madrid]

[Text] When asked about the Letelier case, Defense Minister Patricio Rojas said in Madrid that the Chilean Government respects judicial decisions. The government has the duty to respect court orders and make sure they are obeyed, the defense minister said in reference to the arrest of retired General Manuel Contreras and Brigadier Pedro Espinoza.

The defense minister talked with the media in his hotel in Madrid, where he is on an official visit. When asked about the arrests, Rojas said the government respects judicial decisions and makes sure they are obeyed. He said he understands that the judicial process, the appointment of Judge Adolfo Banados, and his decision are legal.

When asked whether these arrests will affect relations between the government and the Army, Rojas said he does not think it should cause any meaningful repercussions. Rojas said that Gen. Contreras is a retired officer, therefore, he is not subject to Army discipline. As for Brig. Espinoza, Rojas said he is a retired officer who has been called back to duty. The Army will make a judgment only after the case is definitively resolved by the civilian judge, Rojas said. The reactivation of a uniformed officer is a very old Armed Forces practice, although officers called back to duty have no chance of promotion.

To another question, Minister Rojas answered that he has not received any complaint from the Army regarding this case.

Speaking on other subjects, the Chilean defense minister talked about possible future projects for defense materiel with Spanish Commerce Secretary (Miguel Angel Feite). Minister Rojas gave reference to a cooperation treaty signed with Spain during the Spanish king's visit to Chile. Rojas said his conversation with the Spanish commerce secretary is an initial step in the implementation of this cooperation agreement.

Rojas said that some Chilean Armed Forces groups are interested in this treaty. For example, he said, ASMAR [Naval Docks and Yards] is interested in building fishing ships. However, there are no war or weapons projects, the minister said.

Concludes Visit to Spain

PY2609133091 Santiago Radio Chilena Network in Spanish 1100 GMT 26 Sep 91

[Text] Chilean Defense Minister Patricio Rojas concluded his visit to Spain. Rojas will travel today to Paris to continue with the second stage of his tour of several European countries.

Before ending his visit to Spain, Rojas met Spanish Vice President Narciso Serra [title as heard]. Rojas previously traveled to Galicia to visit the Bazan shipyards in El Ferrol. Rojas, accompanied by General Luis Enriquez Riffo, the Chilean national defense chief of staff, and Juan Gabriel Valdes, Chilean Ambassador to Spain, inspected a (?high sea) patrol ship built for the Spanish Navy. Rojas expressed particular interest in the ship's equipment for combating oil spills.

On 23 September, Minister Rojas and his Spanish counterpart, Julian Garcia Vargas, signed a letter of intent to promote bilateral relations in the field of defense.

After visiting France, Minister Rojas will travel to London and will return to Santiago on 5 October.

Economy Minister Reports Investment Figures

PY2509200991 Santiago Radio Chilena Network in Spanish 1700 GMT 25 Sep 91

[Report by Maria Cristina Brudant, all figures as heard]

[Text] Economy Minister Carlos Ominami said that the level of effective foreign investment in Chile demonstrates that Chile maintains its lead in Latin America. Ominami reported that the total investments approved by the Foreign Investments Committee so far during 1991 total $1.502 billion distributed among 278 projects. He added that this surpasses the investments approved during the whole of 1990. [sentence as heard]

As for effective investments, he said that the trend observed in the first few months of the year continues.

[Begin Ominami recording] It is very probable that by the end of 1991 we will reach a level similar to that of 1990, that is an effective [word indistinct] foreign investment of about $100 million. With this we would hit a record level in the field of effective foreign investment. We think these figures are very positive. [end recording]

Minister Ominami then reflected on these figures. First, he said that all the large projects, and the small and medium-sized projects, were presented to the Foreign Investments Committee after the issuance of economic measures last July. This verifies the good understanding that the investors have regarding these measures. Second, he said that the figures demonstrate that Chile still leads the field of foreign investment in the continent. Although Chile must seriously consider what is

happening in other countries, the progress of those countries should not lead us to mistaken or alarmist conclusions.

France Grants $17 Million Health Sector Credit

PY2509211391 Santiago Radio Chilena Network in Spanish 1700 GMT 25 Sep 91

[Text] Two credit agreements worth $17 million were signed today in Paris. The credits will be used to purchase medical equipment for Chile. The Chilean Embassy reported that the agreement was signed in Paris by Chilean Ambassador to France Jose Miguel Barros and a representative of the French Treasury.

One credit is worth 35 million francs and was granted by the Credit National. The other credit is worth 47 million francs and was granted by private financial institutions. The operation is part of a broad bilateral technical exchange program signed last November when the mixed French-Chilean commission met in Santiago.

Colombia

Rebels Deny Role in Nicaraguan Weapons Theft

PA2509185191 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 23 Sep 91

[Text] The Colombian and Nicaraguan Governments are unable to unravel the confusing events surrounding a weapons seizure and the arrest of a Colombian citizen in Managua. The Army claims the weapons were consigned to the Revolutionary Armed Forces of Colombia but the rebel group rejects these charges. The M-19 [19 April Movement] also denies having anything to do with the missile theft.

The events started at the First Sandinst National Liberation Front Congress in Managua on 19 July. Three M-19 members attended the congress: Libardo Parra; Dario Gonzalez, the brother of Health Minister Camilo Gonzalez Posso; Max Correa; and Jorge Armando Monje Benavides. According to M-19 leaders, Monje Benavides does not belong to their organization but Colombian diplomatic sources in Nicaragua have stated that he was a member of the guerrilla group.

[Begin recording, Mario Camacho Prada, Colombian ambassador to Nicaragua] Mr. Monje Benavides was reported as an M-19 delegate. [end recording]

After that meeting, a thorough investigation led to the confiscation of an arsenal of 20 missiles and approximately 1,000 grenades. The arsenal was said to be a shipment for Colombian guerrillas. Monje Benavides and four Nicaraguans, former members of the Sandinist People's Army, were arrested.

[Begin recording, Ernesto Monje Benavides, brother of Jorge Armando Monje Benavides] My brother, Jorge, acted on his own, as an individual, and not on behalf of a party or alliance. This must be made very clear. Jorge Armando had nothing to do with this theft, which was carried out by 14 military members and not by 12 or six as has been reported. [end recording]

The other Colombian, Libardo Parra, was identified as Oscar, fifth ranking in the M-19 leadership. Parra was said to have offered $900,000 for the missiles. He left Nicaragua before the arrests were made.

[Begin Dario Gonzalez recording] I saw Mr. Monje but, regarding the weapons, all I have heard and read in the newspapers are allegations and conjecture. It would not be possible or proper to link a congressional delegation to an alleged weapons purchase or deals of that sort. [end recording]

[Begin recording, Health Minister Camilo Gonzalez Posso] I feel this is only pre-election sensationalism. These matters are not very important. They will be quickly clarified. People know there is nothing behind all this. The situation is only temporary. [end recording]

Government Commission Appointed

PA2509210291 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 24 Sep 91

[Text] The Colombian Government has appointed a commission that will travel to Nicaragua within the next few hours to learn details of the destination of the Sandinist arms shipment confiscated in Managua. The commission is headed by General Manuel Jose Bonnet Locarno, head of military intelligence services.

The final destination of the 20 SAM-7 and SAM-14 missiles remains a mystery. A group of Colombians was negotiating the arms deal with former Nicaraguan officials in the name of an armed organization. The different reports on the identities of the possible negotiators has created controversy. It was said that the missiles were for the M-19 [19 April Movement] because among those arrested was former M-19 member Jorge Armando Monge Benavides. His brother, Jose Gabriel, denied this link and said Jorge Armando fell prey to a mistake.

[Begin Jose Grabiel Monge Benavides recording] All this is the result of an informal conversation between Jorge Armando and a former officer who was involved in this affair. Jorge Armando told the officer he had no interest in this matter—on the contrary, the officer had insisted and had asked for help and Jorge Armando said he did not know anything. [end recording]

It is also believed that the missiles might be intended for the ELN [Army of National Liberation] because (Luisa Atinsa) and Milena Rodriguez attended the Sandinist Congress in July as ELN delegates. However, this story was denied by ELN spokesman Antonio Garcia at the Caracas talks. Garcia said that (Atinsa) and Rodriguez are not ELN members. The Revolutionary Armed Forces of Colombia has also denied any connnection with the arms deal.

Now the Colombian Government, in view of the confusion, has decided to appoint an investigative commission headed by Gen. Manuel Jose Bonnet Locarno, head of military intelligence services.

Ecuador

Officials Meet on Border Issue With Peru

PA2509180291 Quito Cadena Ecuador Radio in Spanish 2300 GMT 23 Sep 91

[Text] Tension has increased in the country over the border dispute with Peru, although Foreign Ministers Diego Cordovez and Carlos Torres y Torres met last night in New York and started a dialogue to settle the issue. The Foreign Ministry has revealed that the talks will continue this afternoon in an effort to reach an agreement in principle to ease the tension between the two countries.

The communique states that a constructive dialogue was held in a cordial and friendly atmosphere and that the two foreign ministers exchanged views on how to achieve progress in the implementation of the detente agreement established between the two governments. The agreement includes the repair of border marker No. 19, relocation of the Peruvian border post in Pachacute, and the establishment of a security zone.

Official sources have indicated that the success of the talks between the two foreign ministers will depend on Ecuador's pledge to replace the destroyed border marker and Peru must agree to withdraw the Pachacute detachment. The Pachacute detachment is currently posted at the disputed area and it must be withdrawn to a point that is considered appropriate by the two sides.

The current state of [words indistinct] lack of border markers along a 34 km zone between the Yaupi and Santiago Rivers, where the demarcation specified by the Rio de Janeiro Protoco—signed in 1942—cannot be implemented.

Peru

Fujimori on Defeat of Terrorism, Promises Peace

PY2509181991 Madrid EFE in Spanish 0028 GMT 25 Sep 91

[Text] Lima, 24 Sep (ANDINA)—President Alberto Fujimori said today that Peru's reincorporation into the international financial system and the recent credits it has obtained signify a blatant defeat not just for subversion but also for "all politickers."

Fujimori harshly criticized those who exploit the country's economic collapse for political purposes. He added that terrorists, their cover organizations, and their "lackeys" will never give up. They will use all possible means to undermine Peru's image by alleging that the Armed Forces systematically violate human rights.

Fujimori added: This is the main resource used by those who perpetrate more human rights violations in Peru "because these cover organizations, these so-called professional organizations, do not fulfill their obligations in the defense of life and freedom because they do not report on the atrocities committed by the Shining Path."

Fujimori said that, in some cases, these cover organizations are the legal arm of subversion. He added: "But we will uncover them. We will not be part of their game. We will pacify the country in a disciplined manner and without violating human rights."

Fujimori said: "We will wage this war with discipline and with patience. We will make the law and democracy prevail without granting any concession to totalitarian terror."

Fujimori praised Peru's recent reincorporation into the international financial community, adding that there are some communist politicians who are promoting all sorts of international campaigns to damage the image of the Armed Forces. He said that these people obviously wish to undermine the democratic system.

Fujimori said that within the new pacification strategy, the Armed Forces will become the vanguard of the struggle to achieve development and social justice. He added that through these achievements the Peruvian people will be able to definitely defeat terrorism.

Fujimori noted that the Armed Forces have already assumed the task of pacifying the country within the framework of the new antiterrorist strategy designed by the government.

President Fujimori announced that terrorism, waged under the facade of a revolution, will be permanently denounced before international human rights organizations.

Fujimori asserted: "The world must be told that every day in Peru terrorist gangs use the false pretext of promoting a revolution to threaten the lives and security of hundreds of thousands of Peruvians. Every day, students, priests, foreign experts, and women and mothers who work in social programs are threatened with death."

Fujimori said that the government will defend the lives of these people. He also requested international organizations to be honest in the fulfillment of their duties.

After stating that order has been restored in several regions of the country, the president informed the terrorists that their time is up because the government has regained its strength and is restoring order and replacing terrorist barbarism with the law and the Constitution.

Fujimori added that peace and development will be reinstated in Peru.

Fujimori Defends Honor of Air Force Personnel

PY2509171891 Madrid EFE in Spanish 0049 GMT 25 Sep 91

[Excerpt] Lima, 24 Sep (ANDINA)—President Alberto Fujimori has publicly expressed his support for the Peruvian Air Force [FAP] after reports on his recent trip to the United States saying that the institution invented a technical problem "to spend a few more days in a city of that country."

The president regretted that certain members of the press forget the importance of Peru's image abroad, "or is it that hate blinds them, making them forget that they owe a minimum of respect to their country?"

The FAP has shown efficiency and professionalism at all times and does not deserve this type of insult, at least from other Peruvians, the president stressed.

"I want to make amends for an insult to the FAP. The plane crew showed great efficiency and quickness to repair the plane in record time and thus allow a happy ending to our historic mission," the president said. [passage omitted]

Foreign Ministry Communique on UN Statement

PA2609042791 Lima Global de Television Network in Spanish 0100 GMT 26 Sep 91

[Text of communique issued by the Foreign Ministry regarding the joint statement made by the Peruvian and Ecuadoran foreign ministers at the United Nations in New York on 25 September; issued in Lima on 25 September]

[Text] Peruvian Foreign Minister Carlos Torres y Torres Lara and Ecuadoran Foreign Minister Diego Cordovez state that they are making their best efforts to overcome the tension between the two countries. The two foreign ministers reiterate their firm determination to solve the problem peacefully, as two brotherly and neighboring countries should.

In view of the concern caused by the situation at a particularly important moment for the development and welfare of their peoples, the foreign ministers consider it proper at this time to ratify the purpose shared by their governments. The two foreign ministers will make every possible effort to reestablish the atmosphere of detente and mutual trust necessary for a fruitful relationship between their governments.

Issued in Lima on 25 September 1991
[signed] Foreign Ministry of Peru.

Criminal Charges Filed Against Former Ministers

PY2509153891 Lima EL COMERCIO in Spanish 17 Sep 91 p 1

[Excerpt] Peruvian Attorney General Dr. Pedro Mendez Jurado yesterday filed criminal charges with the Supreme Court of the Republic against five former ministers in the previous administration. The charges involve alleged abuse of authority and graft against the state.

Dr. Ramiro Arriaran Giles, secretary general of the government attorney's office, along with other government officials, carried the respective case portfolio to the Second Criminal Court Division of the country's Supreme Court of Justice.

The people charged are Cesar Vasquez Bazan, Oswaldo Moran Marquez, Efrain Orbegoso, Roberto Angeles, and Carlos Raffo Dasso. They have been charged with not ordering the pertinent measures for the good use of MUC [Single Exchange Market] dollars when they were ministers of state.

According to the charges, the operations in question were reportedly carried out between 1989 and 1990, and benefited a number of people who used the MUC dollar advantages. [passage omitted]

Details of Renegotiation With Creditors Announced

PY2509231391 Lima EL COMERCIO in Spanish 18 Sep 91 p B 8

[Text] Sources of the Economy and Finance Ministry yesterday explained that Peru's creditors have agreed to reschedule all the delinquent interest and capital accumulated to 1 October 1991 on the short-, medium-, and long-term debt.

The creditors have also agreed to renegotiate the debts that fall due during 1991 and 1992, which amount to $5 billion. The interest resulting from this renegotiation has also been rescheduled as of 1993.

Delinquent payments on debts contracted after 1983 (which amount to more than $1 billion) have been rescheduled over a six-year term, which represents the best terms of payment ever granted to any country in the world.

At the end of the negotiations Denis Samuel-La Jeunesse, president of the meeting and vice president of the Paris Club, said that the extraordinary effort made by the official creditors is an expression of support to the efforts being made by Peru in its quest for guiding its economy toward the path of growth.

He also said that the magnitude of this support is reflected in the fact that Peru in the next 15 months will only have to pay 4 percent of what it really had to pay.

Economy Minister Interviewed

PY2609005191 Lima EL COMERCIO in Spanish 18 Sep 91 p B8

["Exclusive" interview with Economy Minister Carlos Bolona Behr by Maria Virginia Rosas in Paris on 17 September]

[Text] [Rosas] Was the negotiation fruitful?

[Bolona] Yes, I believe it was fruitful. The creditors have demonstrated that they understand the problem because the relief they have given us is very important. Approximately $6 billion of the overdue debt has been rescheduled under the terms of the Houston Plan, with conditions much more favorable than those granted to Poland and Egypt. This will grant us important relief for 1991 and 1992 because we have reduced payment levels during these two years and rescheduled it for 1993.

There is a very clear agreement to reschedule a number of additional payments next year. This will allow us to be eligible and to open new credits and bilateral relations with different countries because right now we are working with donations.

[Rosas] But in the case of Poland and Egypt the debt had to be forgiven?

[Bolona] Yes. The debt had to be forgiven in the case of Poland and Egypt but in our case, we cannot ask for the debt to be forgiven at a multilateral level because it is clear that for some countries this is unacceptable. One of the principle members of the support group has stressed this fact. There is the possibility, however, that tremendous efforts could be made at the bilateral level to seek important and significant reductions of the debt and to barter the debt [canjes de deuda]. We must work on this now until the bilateral negotiations are completed in April next year. I think it is important to note that we must not look at the support group as separate from the Paris Club because they comprise almost the same countries. The net flow of resources is strongly positive for Peru during 1991 and 1992. This will relieve the balance of payments and the tax system. Regarding deadlines, the conditions obtained regarding the treatment of the debt mean that we have achieved better terms than Poland and Egypt. Our overdue debt is the third largest in the world and the largest in Latin America.

[Rosas] When we began the negotiations, the strategy was to be included in the terms of Toronto....

[Bolona] No. That was not the strategy because we would have spent too much time convincing them to consider us a country with very low per capita income. Our case was very difficult to classify, and had we received that treatment—Toronto—it would have been negative because at the moment of receiving loans from the multilateral group, a ceiling or a maximum amount would have been imposed. The best strategy was a combination of Houston with certain elements from Poland, and to lighten to the maximum the 1991 and 1992 debt to return in 1993. We must not forget that Poland negotiated its 1990 debt and returned in 1991 to have that debt forgiven. We have obtained 15 months of relief during which we can seek at the bilateral level a significant reduction of the debt.

[Rosas] Why did the meeting last so long?

[Bolona] Well, Peru was a difficult country that had not paid its debt for eight years. This is the longest delay in history. The amount of the debt is large, the relief given by the support group is significant, and these things add up. Meetings with countries such as Poland, Egypt, and Zambia lasted more than two days. Last night we had a very tough and difficult negotiation but we achieved a good result.

[Rosas] Which countries were more reluctant?

[Bolona] I would not say reluctant. Each country has its own concerns and anxieties. Japan is very clear over condoning the debt. The United States and other great powers are clear regarding relations with the IMF. Each country has its concerns and tries to express them, although there was a very clear recognition regarding the Peruvian economic program, which is considered serious and realistic, but also severe, because hyperinflation is not reduced through soft heterodox and reactivation programs. But the generalized feeling was that of support and admiration for the program.

Venezuela

Perez Addresses UN General Assembly

PA2609030991 Caracas Venezolana de Television Network in Spanish 1619 GMT 25 Sep 91

[Speech by President Carlos Andres Perez before the UN General Assembly in New York on 25 September—recorded]

[Text] Mr. President of the 46th General Assembly, Mr. Secretary General: I address this community of nations to express my country's views on important topics in today's world and to reaffirm our commitment to understanding and solidarity.

Before I begin, may I sincerely congratulate Saudi Arabian Ambassador Samir al-Shihabi on his election as president of this General Assembly. On behalf of Venezuela, may I sincerely welcome the nations that have joined our organization: Estonia, Latvia, Lithuania, the Republic of Korea, the Democratic People's Republic of Korea, Micronesia, and the Marshall Islands.

This General Assembly takes place when a new international order is being defined. This is a process in which developing nations should also participate. The countries represented here must ensure that the meaning and importance of this exceptional period are not diminished or distorted. We must ensure the continuation of the encouraging actions unleashed by these rapid changes. Behind us are chapters characterized by confrontation, intransigence, and inflexibility. Behind us is a period of unproductive and senseless disputes controlled by the terrifying threat of a nuclear war.

The prospects for a less conflictive world should not make us delay or evade challenges or difficulties. There are some old problems and some new ones. There are

problems left over from the bipolar world that continue to mark history in terms of inequalities and injustices. The achievement of peace demands that the continuing conflicts, as well as the pressing economic and social problems that large sectors of humanity are enduring, are confronted with innovative measures. It also demands that the growing disparities between poverty and prosperity are confronted.

Let us pass from East-West confrontation to North-South cooperation. Let this cooperation create one world out of all of us. It is time to ask the United States and Cuba to end their conflict, which began with the Cold War and which prevents Cuba from opening up to the universal concept of democracy, as we all want. Let us ask the United States to open up to a dialogue that will put an end to sanctions that have lost all their justification and validity.

The evolution of the relations between the United States and the USSR, which is going through a process of far-reaching political and economic changes, dominates the world scene with its hopes and uncertainties. The outcome of the Iraqi-Kuwait military conflict, which has been complicated by the unending crisis in the Middle East, has revived the need to make progress in the creation of a new world order that can put an end to these situations.

I take this opportunity to offer my firm support for the efforts of U.S. Secretary of State James Baker, who is promoting a conference among the countries involved in the Arab-Israeli conflict. That conflict threatens to nullify the dramatic process that ended the conflict resulting from the occupation of Kuwait.

The events in the Middle East, the USSR, Eastern Europe, Asia, and Africa show that there are serious difficulties in creating a new world order that will lead to the discussion of international security issues and to the drafting of more efficient mechanisms. Territorial, ethnic, and religious tensions and extremist nationalisms, which are serious problems, have emerged with unexplainable violence. The threats to destroy the state of Yugoslavia cannot be seen by the United Nations as an internal problem of that country. Venezuela wishes to add its voice to those who ask for the restoration of peace in Yugoslavia. We support the position of the nations that promote the discussion of the Yugoslav issue at the Security Council.

Interdependence is a phenomenon that is imposed by the complex realities of the modern world. However, it must stop being a form of dependency that obstructs and undermines the efforts to incorporate the countries of the South into the global economy as stated in the report issued by the South Commission, of which I was a member. The Nonaligned Movement has acquired a unique importance. No longer dealing with the ideological rhetoric of the past, it now has the duty to help integrate these countries by actively encouraging South-South cooperation and by intensifying dialogue with the North.

I dare say that in these new historic times that have just begun, the world agenda will show a clear understanding of North-South relations, which will make interdependence become the source of solutions to problems. There are exceptionally useful issues for which we can implement a new methodology in North-South relations, such as conservation of the environment and the struggle against drug trafficking, both of which are world priorities.

The future of the Latin American continent and the Caribbean islands poses these questions. In this same forum last year, we discussed the progress that our countries made in democracy, which in order to be irreversible needs to be strengthened by solving the problems of extreme poverty. The unavoidable macroeconomic programs, which are necessary for the modernization of our societies, cannot make progress without simultaneously engaging in the struggle against hunger, unemployment, and the lack of opportunities. The democracies that have stabilized in Latin America will not be secure until the governments of the area are able to significantly improve the quality of life. Our democracies will not be able to survive if extreme poverty increases and social tensions get worse. We do not want aid. We want trade under conditions of reciprocity and equality.

We want the Uruguayan summit to have satisfactory results. It is currently ensnared due to commercial confrontations between the United States and Europe while our trade languishes because of the array of protectionist measures established by the industrialized nations.

We must admit—Latin Americans have never admitted this before—that our relations with the United States are changing in a positive manner. Meanwhile, Europe, as we have warned the community's dignitaries, has not seemed to grasp the region's importance yet. That is why we support the spirit of President Bush's Initiative for the Americas that proposes the long-term challenge of a hemispheric market and—at the same time—includes debt, trade, investment, and development as necessary parameters.

However, North America and Europe are still a long way from correcting their restrictive practices. They demanded that we have open markets and then proceeded to consider that our natural advantages are unfair and began closing their markets to our exports. We have received the growing interest of Japan and other Asian countries in our region with satisfaction. We are trying to solve our traditional territorial conflicts. We are working hard to make SELA [Latin American Economic System] a regional coordination and integration organization. We are working to make the OAS an efficient organization that is in tune with the new and urgent requirements in the international field and that will give coherence to

a hemispheric pact between the two regions that are north and south of the Rio Grande.

We hope to be able to share the satisfaction of reaching a definite cease-fire in Central America's bloody conflicts in this same year. We hope peace will be attained in El Salvador through the mediation of UN Secretary General Javier Perez de Cuellar, to whom I want to pay homage for his wise management of the organization in a decade that is so filled with complexities. [applause]

To complete this brief summary on Latin America's viewpoints, expectations, and problems, we are pleased to report the spectacular advances made by the regional integration organizations such as the Andean Pact, Mercosur [Southern Cone Common Market], Caricom [Caribbean Common Market], and the Group of Three, among others. These advances mark the new integrationist history of Latin America. The Group of Rio has been the political interlocutor to coordinate regional actions and present a coherent international projection. We also strongly support the future great hemispheric market that is being started with the trade integration process between the United States, Canada, and Mexico.

It has become trite to say that the world has begun to experience a new era, a new period, a new age. No topic can be more attractive in the fall of 1991 and in this great world forum of the United Nations. It is not the first time, however, that we speak of a new order. In the past we proposed a new world economic order. For a decade, profound voices were heard in the United Nations from all regions of the world. These voices stressed the need for great adjustments, both economic and political, in the perception and execution of world affairs. We do not believe that those voices have fallen on deaf ears. On the contrary, the constant preaching has yielded some fruit.

One of the essential arguments has demonstrated that change was necessary. We warned that the arms race would bring the world into a critical and unprecedented situation and that the increase in military spending would create conflicts for the larger nations. There was no way to understand the stubbornness of the larger nations in not heeding and disregarding [6-second break in reception] the great empires. The Cold War no longer exists. The military spending and militarization of their societies yielded the expected results It was naive to think that what was devastating for some could be beneficial for others. The military spending of the West could also be seen in the former Soviet Union.

The policies of systematic confrontation were well nourished by the industrial military complexes of the larger nations. The use of intimidation and the manipulation of information on the arsenals were common tactics. The 20th century is worthy of deep reflection; there were two devastating wars. During the second half of the century, the prolonged Cold War created all sorts of challenges and confrontations, which nurtured the most unimaginable regional conflicts. Among its victims were the developing countries, which were not just witnesses but scenarios for the conflicts and consequently part of them and their difficulties.

The possibility of building a new world order is being born. So that it can truly be a new order and, above all, a stable order, it must be born with the prior condition that nobody—no country, large or small, strong or weak—can be alien to it or prevail above it. The idea of democracy prevails in the world. The trend of democracy is becoming generalized and recognizes the rights of the countries. We must, however, also be aware that when democracy is proposed, the countries understand that democracy means welfare, progress amid liberty, economic and commercial relations on an equal footing, opening of markets, open communications between the countries, international cooperation, an end to predominance, and a balance between spending on security and social services.

To make us feel optimistic, it is not enough to announce that a new order is being constructed. A new order will not be born just because the balance of world power has reached a crisis. Challenges are continual. The recent outbreak of nationalism, ethnic conflicts, religious confrontations, regional quarrels, and the forces that emerge with anarchic impetus as a dramatic response to so many decades of repression will not be easy to handle or avert. The identities of peoples, the respect to which they are entitled, and the protection of their values should be the key points in a new order, so that political and religious doctrines can be rid of their load of resentment and so that they do not re-emerge as destabilizing factors.

In this context, we include the Saharan people's conflict, which should be settled through the application of the right to self-determination. We await impatiently the referendum that will make it possible for the Saharan people to be incorporated into the community of democratic nations.

We are living in a revolutionary age in the fields of communications, technology, and science; yet, we are not living in a revolutionary age in the field of culture. This is the great paradox that portrays the deep crisis in which we live. The message transmitted to peoples is not a positive one. It is not aimed at preserving our fundamental values or at learning to coexist. The revolution in communications puts us in simultaneous touch with all conflicts. The impact of this revolution naturally contributes to exaggerating our own conflicts with the conflicts taking place in far away.

Putting our enormous technological resources at the service of culture, science, international cooperation, and education, and meeting the challenge of protecting children will make the world safe again and will help us to coexist in democracy. Last year we held a summit on children's rights. It was a conference convened through the political willingness of the world's heads of state. We now celebrate the fact that 30 UN member countries, including Venezuela, have held conferences in their own

territories to outline a program to rescue our children from the aggression represented by poverty and malnutrition.

Thinking that the new world order can be defined as a simple balance of military or economic power would be equivalent to prolonging the injustices and provocations that prevailed in the now defunct bipolar order. The time has arrived to tackle seriously the modernizing and updating of the UN mechanisms as a collective security system. If we fail to do it, the absence of a security system that can protect the weak from the strong will sentence a number of countries to a frantic search for self-protection. With responsibility, I speak for many peace-loving countries so that our peoples' desire for peace can also be a permanent desire of the United Nations.

The institution cannot be reinforced if a consensus is not reached to eliminate the right to veto held by the permanent members of the UN Security Council. The veto was the answer to circumstances and realities that no longer exist. This mechanism contradicts the spirit of the UN Charter and prevents the United Nations from effectively exercising its authority in favor of collective security.

The right to veto Security Council resolutions is a mechanism that limits the consensus among the organization's member states. The Security Council must be a representative corps. In no way should one of its members be able to deny the opinion of the majority of UN member countries. If we want collective and democratic security, we must aspire to universal and equal rights.

I wish to propose formally that this assembly charge a committee of experts to study new methods for operating the UN Security Council. The countries that have a decisive privilege would rightfully be permanent members of the council, and could even be broadened. [sentence as heard] The decisions regarding collective security would require, at minimum, the qualified vote of its members so they may reflect the general opinion of the international community.

Last year at this same place, I suggested convocation of a meeting of petroleum producing and consuming countries in order to reach agreements on the use and production of this resource that is so basic for our civilization's welfare. Despite some skepticism, that meeting was held with the explicit and constructive support of President Francois Mitterrand. In Paris last July, important conclusions were reached that will contribute to improving future information on and analysis of the energy world.

We also believe in the urgent need to achieve a new environmental order. We will participate in the World Conference on the Environment to be held in Brazil. As a country and as a member of the Amazon Pact, we aspire to a leading role in those important world decisions.

I must also mention the second summit of the Group of 15, which will be held in Caracas this coming November. The Group of 15 is a useful consultative forum for the Nonaligned Movement to coordinate southern policies in the international field and to assist in planning and implementing cooperation programs.

Delegates: In 1992 we will mark the 500th year since the meeting between America and Europe. In the continent, we are making great preparations to celebrate the event in order to analyze the advances of our own history and project its future. We hope that the rest of the world, represented here today, will join the celebration of this important historical event that changed the path of humanity.

Thank you very much. [applause]

Perez Comments on Visit to Canada, U.S.

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[Text] President Carlos Andres Perez reiterated his trust in our nation's economic growth and said he expects to reach an almost 7-percent growth rate by the end of the year. The president underscored that this growth rate is appealing to foreign investors. He said the best example of this was the meeting held this morning with Canadian Prime Minister Brian Mulroney and Canadian businessmen. Venezuelan businessmen who attended the meeting called it a success. We have comments on the visit.

[Begin recording] [Foreign Minister Armando Duran] We had a truly excellent visit, despite its short duration. We met with the prime minister for approximately three and a half hours in Ottawa. In the meeting Venezuela and Canada voiced very positive concurrent positions. Moreover, Prime Minister Mulroney expressed what we already knew: the very special interest that Canada has in the Latin American and Caribbean nations.

[Businessman Gustavo Cisneros] This puts into motion a mechanism that eventually will unite Venezuela in a common market with Canada, the United States, and Mexico. In the first place, what is very important here is the personal contact between two heads of government, who apparently get along very well. In the second place, they have the same views on the issues and, in the third place, they have put in motion trade exchange mechanisms that will very clearly and quickly favor Venezuelan trade and that in turn will open the doors for Venezuelan trade in the large Canadian, U.S., and Mexican markets.

[Businessman Eugenio Mendoza] These contacts will create a much broader field of action with Canada. I believe that the export of Venezuelan products to Canada will create more jobs in Venezuela, and Canadian investment in Venezuela will stimulate the generation of jobs that is so important to us. [end recording]

President Carlos Andres Perez arrived in New York at 1700 on 23 September. We assume his New York visit will be most hectic. This morning in Washington President Perez met with the international press to discuss matters of interest to Venezuela.

[Begin recording] [Perez] My presidential visits are so important, even more important than our business transactions with the United States, because we are gearing Venezuela toward a more productive and fruitful relationship with the United States. The meeting in which Venezuelan and U.S. businessmen and politicians participated is what is really creating the possibility for integration and an important hemispheric consensus.

[Unidentified reporter] Mr. President, undoubtedly these meetings are a sound foundation for your conversations with President Bush.

[Perez] Of course they are. Moreover, during these meetings the U.S. community can truly assess the sincerity and frankness of our policies and our firm convictions. [end recording]

President Perez met with Ray Smith of the Bell Atlantic Co. in what we believe to be part of the dialogue process for what we assume in Venezuela is the privatization of the [name indistinct] company. High-ranking government officials and politicians interested in what is happening in Latin America, particularly in Venezuela, had the opportunity to exchange points of view with the Venezuelan president. In Washington President Perez' agenda was very tight. First he met with Norwegian Prime Minister Gro Harlem Brundtland then attended a reception given in his honor by President Bush.

[Begin recording, Presidency Secretary Beatrice Rangel] I believe that Venezuela and the United States are now faced with an important challenge. This challenge is to make the Americas Enterprise work. I believe that most of the conversation between the two heads of state will be on this issue. [end recording]

At the Venezuelan Permanent Mission in New York, President Perez is meeting with a large group of Venezuelans who work in the city. Some work at the United Nations, others in the private sector, however, all contribute in some way to Venezuela. This evening President Perez will attend a dinner given in his honor by Mr. Forbes, the owner of an important socioeconomic magazine. Mr. Forbes has visited Venezuela and has issued important and knowledgeable statements on the situation in our nation. We will have further reports on President Perez's activities and on his speech at the UN General Assembly.